

**PRELIMINARY LIMITED OFFERING MEMORANDUM DATED JULY 16, 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. See "BONDOWNERS' RISKS" herein for a description of certain developments regarding special district financings.*

**\$11,335,000\***

**LIBERTY COVE COMMUNITY DEVELOPMENT DISTRICT  
(Nassau County, Florida)  
Special Assessment Revenue Bonds, Series 2024  
(Assessment Area One Project)**

**Dated: Date of Delivery**

**Due: May 1, as shown on the inside cover**

The Liberty Cove Community Development District Special Assessment Revenue Bonds, Series 2024 (Assessment Area One Project) (the "Series 2024 Bonds") are being issued by the Liberty Cove Community Development District (the "District") only in fully registered form, without coupons, in authorized denominations of \$5,000 and any integral multiple thereof.

The District is a local unit of special-purpose government of the State of Florida, created pursuant to the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the "Act") and by Ordinance No. 2021-10 duly enacted by the Board of County Commissioners of Nassau County, Florida (the "County") on June 28, 2021 and effective on July 2, 2021, as amended by Ordinance No. 2024-012 duly enacted by the County Commissioners on April 22, 2024 and effective on April 22, 2024 (collectively, 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 the acquisition and/or construction of public improvements and community facilities as set forth in the Act for the special benefit of certain District Lands.

The Series 2024 Bonds will bear interest at the fixed rates set forth on the inside cover hereof, calculated on the basis of a 360-day year comprised of twelve (12) thirty-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 of The Depository Trust Company ("DTC"), New York, New York. Purchases of beneficial interests in the Series 2024 Bonds will be made in book-entry-only form and purchasers of beneficial interests in the Series 2024 Bonds will not receive physical bond certificates. For so long as the book-entry only system is maintained, the principal of and interest on the Series 2024 Bonds will be paid from the sources provided pursuant to the Indenture (as defined below) and described herein by 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"), directly to Cede & Co., as nominee of DTC, as the registered owner thereof. Disbursements of such payments to the Direct Participants (as defined herein) is the responsibility of DTC and disbursements of such payments to the beneficial owners is the responsibility of the Direct Participants and Indirect Participants (as defined herein), as more fully described herein. Any purchaser of a beneficial interest in a Series 2024 Bond, must maintain an account with a broker or dealer who is, or acts through, a DTC Participant in order to receive payment of the principal of and interest on such Series 2024 Bond. See "DESCRIPTION OF THE SERIES 2024 BONDS – Book-Entry Only System" herein.

The Series 2024 Bonds are being issued by the District pursuant to the Act, Resolutions No. 2021-28 and No. 2024-07 duly adopted by the Board of Supervisors of the District on August 18, 2021 and June 14, 2024, respectively, and secured pursuant to a Master Trust Indenture dated as of July 1, 2024 (the "Master Indenture"), as supplemented by a First Supplemental Trust Indenture dated as of July 1, 2024 (the "First Supplemental Indenture" and, together with the Master Indenture, the "Indenture"), each by and between the District and the Trustee. Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Indenture.

Proceeds of the Series 2024 Bonds will be used to provide funds to: (i) finance the Cost of acquisition, construction, installation and equipping of a portion of the 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 hereinafter defined) in an amount equal to the 2024 Reserve Account Requirement (as hereinafter defined). See "THE CAPITAL IMPROVEMENT PLAN AND THE ASSESSMENT AREA ONE PROJECT" and "ESTIMATED SOURCES AND USES OF FUNDS" herein.

The Series 2024 Bonds will be secured by a pledge of the 2024 Pledged Revenues. "2024 Pledged Revenues" shall mean (a) all revenues received by the District from the Series 2024 Assessments levied and collected on all or a portion of the District Lands with respect to the Assessment Area One Project or portion thereof financed by the Series 2024 Bonds, including, without limitation, amounts received from any foreclosure proceeding for the enforcement of collection of such Series 2024 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 First Supplemental Indenture for the Series 2024 Bonds; provided, however, that 2024 Pledged Revenues shall not include any moneys transferred to the Rebate Fund (or investment earnings thereon) or amounts in the 2024 Costs of Issuance Account. See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2024 BONDS" herein.

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

THE SERIES 2024 BONDS ARE LIMITED OBLIGATIONS OF THE DISTRICT PAYABLE SOLELY FROM THE 2024 PLEDGED REVENUES PLEDGED THEREFOR UNDER THE INDENTURE AND NEITHER THE PROPERTY, THE FULL FAITH AND CREDIT, NOR THE TAXING POWER OF THE DISTRICT, NASSAU COUNTY, FLORIDA (THE "COUNTY"), THE STATE OF FLORIDA (THE "STATE") OR ANY OTHER POLITICAL SUBDIVISION THEREOF, IS PLEDGED AS SECURITY FOR THE PAYMENT OF THE SERIES 2024 BONDS, EXCEPT THAT THE DISTRICT IS OBLIGATED UNDER THE INDENTURE TO LEVY AND TO EVIDENCE AND CERTIFY, OR CAUSE TO BE CERTIFIED, FOR COLLECTION, SERIES 2024 ASSESSMENTS TO SECURE AND PAY THE SERIES 2024 BONDS. THE SERIES 2024 BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE DISTRICT, THE COUNTY, THE STATE, OR ANY OTHER POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION. SEE "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2024 BONDS" HEREIN.

The purchase of the Series 2024 Bonds involves 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, as amended, 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 of transfer in any secondary market for the Series 2024 Bonds. The Series 2024 Bonds are not credit enhanced or rated and no application has been made for credit enhancement or a rating with respect to the Series 2024 Bonds.

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

The Series 2024 Bonds are offered for delivery when, as and if issued by the District and accepted by the Underwriter, subject to the receipt of the opinion of Akerman LLP, Jacksonville, Florida, Bond Counsel, as to the validity of the Series 2024 Bonds and the excludability of interest thereon from gross income for federal income tax purposes. Certain legal matters will be passed upon for the Underwriter by its counsel, Squire Patton Boggs (US) LLP, Miami, Florida, for the District by its counsel, Kutak Rock LLP, Tallahassee, Florida, and for the Developer (as herein defined) by its counsel, Sheffield & Boatright, P.A., Jacksonville, Florida. It is expected that the Series 2024 Bonds will be delivered in book-entry form through the facilities of DTC on or about \_\_\_\_\_, 2024.



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

\* Preliminary, subject to change.

This Preliminary Limited Offering Memorandum and the information contained herein are subject to completion or amendment without notice. These securities may not be sold nor may an offer to buy be accepted prior to the time the Limited Offering Memorandum is delivered in final form. Under no circumstances shall this Preliminary Limited Offering Memorandum constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration, qualification or exemption under the securities laws of any such jurisdiction.

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

**\$11,335,000\***

**Liberty Cove Community Development District  
Special Assessment Revenue Bonds, Series 2024  
(Assessment Area One Project)**

\$ _____	– _____	% Series 2024 Term Bond due May 1, 20__	– Yield _____	% – Price _____	– CUSIP Number _____	†
\$ _____	– _____	% Series 2024 Term Bond due May 1, 20__	– Yield _____	% – Price _____	– CUSIP Number _____	†
\$ _____	– _____	% Series 2024 Term Bond due May 1, 20__	– Yield _____	% – Price _____	– CUSIP Number _____	†

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\* Preliminary, subject to change.

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**LIBERTY COVE COMMUNITY DEVELOPMENT DISTRICT**

**BOARD OF SUPERVISORS**

Gregory Matovina\*, Chairperson  
Chris Wood\*, Vice-Chairperson  
William R. Howell, II\*, Assistant Secretary  
Matt Roberts\*, Assistant Secretary  
Brendan Moran\*, Assistant Secretary

---

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

**DISTRICT MANAGER AND METHODOLOGY CONSULTANT**

Wrathell, Hunt & Associates, LLC  
Boca Raton, Florida

**DISTRICT COUNSEL**

Kutak Rock LLP  
Tallahassee, Florida

**DISTRICT ENGINEER**

Connelly & Wicker, Inc.  
Jacksonville, Florida

**BOND COUNSEL**

Akerman LLP  
Jacksonville, Florida

NO DEALER, BROKER, SALESPERSON OR OTHER PERSON HAS BEEN AUTHORIZED BY THE DISTRICT TO GIVE ANY INFORMATION OR MAKE ANY REPRESENTATIONS, OTHER THAN THOSE CONTAINED IN THIS LIMITED OFFERING MEMORANDUM, AND IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY 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, THE DISTRICT MANAGER, THE DISTRICT ENGINEER, 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 UNITED STATES FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THIS TRANSACTION. 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 IN THE STATUS OF THE DEVELOPMENT OR THE 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 (THE "SECURITIES ACT") 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," "WILL," "SHOULD," "INTENDS," "EXPECTS," "BELIEVES," "ANTICIPATES," "ESTIMATES," OR OTHERS. THE READER IS CAUTIONED THAT FORWARD-LOOKING STATEMENTS ARE SUBJECT TO A VARIETY OF UNCERTAINTIES THAT COULD CAUSE ACTUAL RESULTS TO DIFFER FROM THE PROJECTED RESULTS. THOSE RISKS AND UNCERTAINTIES INCLUDE GENERAL ECONOMIC AND BUSINESS CONDITIONS, CONDITIONS IN THE FINANCIAL MARKETS AND REAL ESTATE MARKET, THE DISTRICT'S COLLECTION OF ASSESSMENTS, AND VARIOUS OTHER FACTORS WHICH MAY BE BEYOND THE DISTRICT'S OR 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.

THE ORDER AND PLACEMENT OF MATERIALS IN THIS LIMITED OFFERING MEMORANDUM, INCLUDING THE APPENDICES, ARE NOT TO BE DEEMED A DETERMINATION OF RELEVANCE, MATERIALITY OR IMPORTANCE, AND THIS LIMITED OFFERING MEMORANDUM, INCLUDING THE APPENDICES, MUST BE CONSIDERED IN ITS ENTIRETY. THE CAPTIONS AND HEADINGS IN THIS LIMITED OFFERING MEMORANDUM ARE FOR CONVENIENCE OR REFERENCE ONLY AND IN NO WAY DEFINE, LIMIT OR DESCRIBE THE SCOPE OR INTENT, OR AFFECT THE MEANING OR CONSTRUCTION, OR ANY PROVISIONS OR SECTION IN THIS LIMITED OFFERING MEMORANDUM.

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**

	<u>Page</u>
INTRODUCTION .....	1
DESCRIPTION OF THE SERIES 2024 BONDS.....	3
General Description .....	3
Redemption Provisions .....	4
Book-Entry Only System.....	6
SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2024 BONDS .....	8
General.....	8
Assessment Methodology/Projected Level of District Assessments .....	9
Prepayment of Special Assessments .....	10
Developer Agreements.....	10
Covenant Against Sale or Encumbrance.....	11
2024 Reserve Account .....	11
Deposit and Application of the 2024 Pledged Revenues.....	13
Investment or Deposit of Funds.....	13
Covenant to Levy the Series 2024 Assessments.....	14
Additional Obligations.....	14
Events of Default and Remedies.....	15
ENFORCEMENT OF ASSESSMENT COLLECTIONS .....	17
General.....	17
Direct Billing & Foreclosure Procedure .....	18
Uniform Method Procedure .....	18
BONDOWNERS’ RISKS.....	22
ESTIMATED SOURCES AND USES OF FUNDS .....	29
DEBT SERVICE REQUIREMENTS.....	30
THE DISTRICT .....	31
General.....	31
Legal Powers and Authority .....	31
Board of Supervisors.....	32
The District Manager and Other Consultants .....	33
No Prior Indebtedness.....	33
THE CAPITAL IMPROVEMENT PLAN AND THE ASSESSMENT AREA ONE PROJECT.....	34
THE DEVELOPMENT .....	36
General.....	36
Land Acquisition and Finance Plan .....	37
Assessment Area One Development Plan/Status.....	38
Residential Product Offerings.....	41
Development Approvals .....	41
Environmental.....	41
Amenities .....	41

**TABLE OF CONTENTS**  
**(continued)**

Utilities.....	42
Taxes, Fees and Assessments .....	42
Education .....	42
Competition.....	43
THE DEVELOPER .....	43
ASSESSMENT METHODOLOGY.....	44
General.....	44
Projected Level of District Assessments.....	44
True-Up Mechanism .....	45
TAX MATTERS.....	45
Collateral Tax Consequences.....	46
Other Tax Matters.....	46
Original Issue Discount.....	47
AGREEMENT BY THE STATE .....	47
LEGALITY FOR INVESTMENT .....	47
SUITABILITY FOR INVESTMENT .....	47
ENFORCEABILITY OF REMEDIES .....	48
FINANCIAL STATEMENTS .....	48
LITIGATION.....	48
The District .....	48
The Developer.....	49
NO RATING.....	49
DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS .....	49
CONTINUING DISCLOSURE.....	49
UNDERWRITING .....	50
EXPERTS .....	50
CONTINGENT FEES .....	50
VALIDATION.....	50
FORWARD-LOOKING STATEMENTS .....	50
LEGAL MATTERS.....	51
MISCELLANEOUS .....	51
AUTHORIZATION AND APPROVAL.....	52

**TABLE OF CONTENTS**  
**(continued)**

APPENDICES

APPENDIX A – ENGINEER’S REPORT

APPENDIX B – PROPOSED FORMS OF INDENTURE

APPENDIX C – PROPOSED FORM OF OPINION OF BOND COUNSEL

APPENDIX D – PROPOSED FORM OF DISCLOSURE AGREEMENT

APPENDIX E – ASSESSMENT METHODOLOGY

APPENDIX F – DISTRICT’S FINANCIAL STATEMENTS



## LIMITED OFFERING MEMORANDUM

**\$11,335,000\***

**LIBERTY COVE COMMUNITY DEVELOPMENT DISTRICT  
(NASSAU COUNTY, FLORIDA)  
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024  
(ASSESSMENT AREA ONE PROJECT)**

### INTRODUCTION

The purpose of this Limited Offering Memorandum is to provide certain information in connection with the offering for sale and issuance by Liberty Cove Community Development District (the “District”) of its \$11,335,000\* aggregate principal amount of Liberty Cove Community Development District Special Assessment Revenue Bonds, Series 2024 (Assessment Area One Project) (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 TRANSFER 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.

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

The District is a local unit of special-purpose government of the State of Florida (the “State”), created pursuant to the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the “Act”) and Ordinance No. 2021-10 duly enacted by the Board of County Commissioners of Nassau County, Florida (the “County Commissioners”) on June 28, 2021 and effective on July 2, 2021, as amended by Ordinance No. 2024-012 duly enacted by the County Commissioners on April 22, 2024 and effective on April 22, 2024 (collectively, 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 the acquisition and/or construction of public improvements and community facilities as set forth in the Act for the special benefit of certain District Lands. The Act authorizes the District to issue bonds for the purpose of, among others, financing, funding, refinancing, planning, establishing, acquiring, constructing or reconstructing, enlarging or extending, equipping water management, water supply, sewer and wastewater management, bridges or culverts, public roads, street lights, real property and other basic infrastructure projects within or without the boundaries of the District as provided in the Act. For more complete information about the District, its Board of Supervisors (the “Board”) and the District Manager, see “THE DISTRICT” herein.

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\* Preliminary, subject to change.

The boundaries of the District include approximately 312.17+/- gross acres of land (the “District Lands”) located in the unincorporated area of Nassau County, Florida (the “County”). The District Lands are currently being developed as a 918-unit master planned residential community to be known as “Liberty Cove” (the “Development”). Land development associated with the Development is expected to occur in three phases, for which two assessment areas will be created. The first two phases of land development for the Development consist of approximately 224.6+/- gross acres of land within the District planned to contain of 604 residential units (“Assessment Area One”). The third phase of land development consists of the remaining 87.57+/- gross acres of land within the District planned to contain 314 residential units which will be developed in the future (“Assessment Area Two”). The portion of the Capital Improvement Plan associated with Assessment Area One is referred to herein as the “Assessment Area One Project.”

The Series 2024 Bonds are payable from and secured solely by the 2024 Pledged Revenues which consists primarily of revenues from the Series 2024 Assessments (as hereinafter defined). The Series 2024 Assessments will be initially levied on the 224.6+/- gross acres of land within Assessment Area One until such time as the 604 planned lots within Assessment Area One are platted. As platting of the 604 planned lots occurs, the Series 2024 Assessments will be assigned to such platted lots on a first-platted, first-assigned basis as set forth in the Assessment Methodology attached hereto. See “SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2024 BONDS,” “THE DEVELOPMENT – Development Plan/Status,” “ASSESSMENT METHODOLOGY” and “APPENDIX E – ASSESSMENT METHODOLOGY” herein.

Liberty Cove Nassau, LLC, a Florida limited liability company (the “Developer”), is the landowner and developer for the Development. See “THE DEVELOPER” herein for more information. The Developer is installing master and parcel infrastructure improvements associated with the Development and will sell developed lots to homebuilders who will construct and market homes for sale to homebuyers. The Developer has entered into Builder Contracts (as hereinafter defined) for the sale of all 604 developed lots planned within Assessment Area One with (i) Horton (as hereinafter defined) for the sale of 210 townhome lots and 226 single-family lots (the “Horton Contracts”), (ii) Richmond American (as hereinafter defined) for the sale of 114 single-family lots (the “Richmond Contract”), and (iii) New Atlantic Builders (as hereinafter defined) for the sale of 54 single-family lots (the “New Atlantic Contract” and, together with the Horton Contracts and the Richmond Contract, the “Builder Contracts”). See “THE DEVELOPMENT – Builder Contracts” herein. See “THE DEVELOPMENT” and “THE DEVELOPER” herein for additional information regarding the Developer and the Development.

The Series 2024 Bonds are being issued by the District pursuant to the Act, Resolutions No. 2021-28 and No. 2024-07 duly adopted by the Board on August 18, 2021 and June 14, 2024, respectively, and secured pursuant to a Master Trust Indenture dated as of July 1, 2024 (the “Master Indenture”), as supplemented by a First Supplemental Trust Indenture dated as of July 1, 2024 (the “First Supplemental Indenture” and, together with the Master Indenture, the “Indenture”), each by and between the District and U.S. Bank Trust Company, National Association, as trustee (the “Trustee”). Reference is made to the Indenture for a statement of the authority for, and the terms and provisions of, the Series 2024 Bonds. All capitalized terms used in this Limited Offering Memorandum that are not defined herein shall have the meanings assigned to them in the Indenture. See “APPENDIX B – PROPOSED FORMS OF INDENTURE” herein.

Proceeds of the Series 2024 Bonds will be used to provide funds to: (i) finance the Cost of acquisition, construction, installation and equipping of a portion of the 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 hereinafter defined) in an amount equal to the 2024 Reserve Account Requirement (as hereinafter defined).

See “THE CAPITAL IMPROVEMENT PLAN AND THE ASSESSMENT AREA ONE PROJECT” and “ESTIMATED SOURCES AND USES OF FUNDS” herein.

THE SERIES 2024 BONDS ARE LIMITED OBLIGATIONS OF THE DISTRICT PAYABLE SOLELY OUT OF THE 2024 PLEDGED REVENUES PLEDGED THEREFOR UNDER THE INDENTURE AND NEITHER THE PROPERTY, THE FULL FAITH AND CREDIT, NOR THE TAXING POWER OF THE DISTRICT, THE COUNTY, THE STATE OR ANY OTHER POLITICAL SUBDIVISION THEREOF, IS PLEDGED AS SECURITY FOR THE PAYMENT OF THE SERIES 2024 BONDS, EXCEPT THAT THE DISTRICT IS OBLIGATED UNDER THE INDENTURE TO LEVY, AND TO EVIDENCE AND CERTIFY, OR CAUSE TO BE CERTIFIED, FOR COLLECTION, SERIES 2024 ASSESSMENTS TO SECURE AND PAY THE SERIES 2024 BONDS. THE SERIES 2024 BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE DISTRICT, THE COUNTY, THE STATE, OR ANY OTHER POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION. See “SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2024 BONDS” HEREIN.

There follows in this Limited Offering Memorandum brief descriptions of the District, the Development, the Developer and the Assessment Area One Project, together with 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 documents and statutes and all references to the Series 2024 Bonds are qualified by reference to the definitive forms thereof and the information with respect thereto contained in the Indenture. The proposed forms of the Master Indenture and the First Supplemental Indenture appear as Appendix B attached 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 issuable only as fully registered bonds, without coupons, in the denominations of \$5,000 and any integral multiple thereof; provided, however, if any initial beneficial owner of Series 2024 Bonds does not purchase at least \$100,000 of the Series 2024 Bonds at the time of initial delivery of the Series 2024 Bonds, such beneficial owner must execute and deliver to the District and the Underwriter on the date of delivery of the Series 2024 Bonds the investor letter in the form attached to the Indenture or otherwise establish to the satisfaction of the Underwriter that such beneficial owner is an “accredited investor,” as described in Rule 501(a) under Regulation D of the Securities Act of 1933, as amended. The Series 2024 Bonds will mature, subject to the redemption provisions set forth herein, on the dates and in the amounts set forth on the inside cover page hereof.

The Series 2024 Bonds will be dated as of the date of initial delivery. Interest on the Series 2024 Bonds shall be payable on each Interest Payment Date to maturity or prior redemption. “Interest Payment Date” means May 1 and November 1 of each year, commencing November 1, 2024. Interest on the Series 2024 Bonds will be computed on the basis of a 360-day year consisting of twelve (12) thirty-day months. “Quarterly Redemption Date” means each February 1, May 1, August 1 and November 1 of each year.

Upon initial issuance, the ownership of the Series 2024 Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company (“DTC”), New York, New York, and purchases of beneficial interests in the Series 2024 Bonds will be made in book-entry only form. 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 of the Florida Department of Financial Services promulgated thereunder, although there is no limitation on resales of the Series 2024 Bonds. See “DESCRIPTION OF THE SERIES 2024 BONDS – Book-Entry Only System” and “SUITABILITY FOR INVESTMENT” below.

U.S. Bank Trust Company, National Association is the initial Trustee, Paying Agent and Registrar 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 Quarterly 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 First 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 Quarterly Redemption Date, on May 1 of the years and in the principal amounts set forth below.

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

\*

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\*Maturity

The Series 2024 Bonds maturing May 1, 20\_\_ are subject to mandatory redemption in part by the District by lot prior to its scheduled maturity from moneys in the 2024 Sinking Fund Account established under the First 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 Quarterly Redemption Date, on May 1 of the years and in the principal amounts set forth below.

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

\*

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\*Maturity

The Series 2024 Bonds maturing May 1, 20\_\_ are subject to mandatory redemption in part by the District by lot prior to its scheduled maturity from moneys in the 2024 Sinking Fund Account established under the First 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 Quarterly Redemption Date, on May 1 of the years and in the principal amounts set forth below.

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

\*

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\*Maturity

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 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 First 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 to be redeemed shall be selected by lot by the Registrar as provided in the Indenture.

See “APPENDIX B – PROPOSED FORMS OF INDENTURE” herein for more information.

Notice of Redemption. Notice of each redemption of Series 2024 Bonds is required to be given by Electronic Means or mailed by the Bond Registrar, postage prepaid, not less than thirty (30) nor more than sixty (60) days prior to the Quarterly 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 of notice of an optional redemption or purchase, the District shall not have deposited with the Trustee or Paying Agent moneys sufficient to redeem or purchase all the Series 2024 Bonds called for redemption or purchase, such notice shall state that 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 opening of business on the redemption or purchase date, and such notice shall be of no effect unless such moneys are so deposited.

### **Book-Entry Only System**

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

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Series 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 Series 2024 Bond 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 an S&P Global Ratings, a division of S&P Global Inc. 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](http://www.dtcc.com).

Purchases of 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 the Series 2024 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2024 Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Series 2024 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping 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 Series 2024 Bond 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 2024 Bonds 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 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 nor its nominee, the Trustee, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of 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 and/or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE SERIES 2024 BONDS, AS NOMINEE OF DTC, REFERENCES HEREIN TO THE OWNERS OR HOLDERS OF THE SERIES 2024 BONDS OR REGISTERED OWNERS OF THE SERIES 2024 BONDS SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE BONDS.

The District can make no assurances that DTC will distribute payments of principal of, redemption price, if any, or interest on the Series 2024 Bonds to the Direct Participants, or that Direct and Indirect Participants will distribute payments of principal of, redemption price, if any, or interest on the Series 2024 Bonds or redemption notices to the Beneficial Owners of such Series 2024 Bonds or that they will do so on a timely basis, or that DTC or any of its Participants will act in a manner described in this Limited Offering Memorandum. The District is not responsible or liable for the failure of DTC to make any payment to any Direct Participant or failure of any Direct or Indirect Participant to give any notice or make any payment to a Beneficial Owner in respect to the Series 2024 Bonds or any error or delay relating thereto.

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

### **General**

THE SERIES 2024 BONDS ARE LIMITED OBLIGATIONS OF THE DISTRICT PAYABLE SOLELY OUT OF THE 2024 PLEDGED REVENUES PLEDGED THEREFOR UNDER THE INDENTURE AND NEITHER THE PROPERTY, THE FULL FAITH AND CREDIT, NOR THE TAXING POWER OF THE DISTRICT, THE COUNTY, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF, IS PLEDGED AS SECURITY FOR THE PAYMENT OF THE SERIES 2024 BONDS, EXCEPT THAT THE DISTRICT IS OBLIGATED UNDER THE INDENTURE TO LEVY AND TO EVIDENCE AND CERTIFY, OR CAUSE TO BE CERTIFIED, FOR COLLECTION, SERIES 2024 ASSESSMENTS TO SECURE AND PAY THE SERIES 2024 BONDS. THE SERIES 2024 BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE DISTRICT, THE COUNTY, THE STATE, OR ANY OTHER POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION.



The Series 2024 Bonds will be secured by a pledge of the 2024 Pledged Revenues. “2024 Pledged Revenues” shall mean (a) all revenues received by the District from the Series 2024 Assessments levied and collected on all or a portion of the District Lands with respect to the Assessment Area One Project or portion thereof financed by the Series 2024 Bonds, including, without limitation, amounts received from any foreclosure proceeding for the enforcement of collection of such Series 2024 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 First Supplemental Indenture for the Series 2024 Bonds; provided, however, that 2024 Pledged Revenues shall not include any moneys transferred to the Rebate Fund (or investment earnings thereon) or amounts in the 2024 Costs of Issuance Account.

The “Series 2024 Assessments” shall mean the Special Assessments levied on that portion of the District Lands specially benefited by the Assessment Area One Project all as described in the Assessment Proceedings. The Series 2024 Assessments correspond in amount to the debt service on the Series 2024 Bonds and are designated as such in the Assessment Methodology. The Assessment Methodology, which describes the methodology for allocating the Series 2024 Assessments to the assessable lands within the District is included as APPENDIX E hereto. The Series 2024 Assessments were levied pursuant to Section 190.022 of the Act, and the Assessment Resolution (as defined in the First Supplemental Indenture) and assessment proceedings conducted by the District (together with the Assessment Resolution, the “Assessment Proceedings”). The Series 2024 Assessments do not include Operation and Maintenance Assessments or other “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. “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 District. Non-ad valorem assessments are not based on millage and are not taxes, but are a lien against the homestead as permitted in Section 4, Article X of the Florida State Constitution. The Series 2024 Assessments will constitute a lien against the land as to which the Series 2024 Assessments are imposed. See “ENFORCEMENT OF ASSESSMENT COLLECTIONS” and “ASSESSMENT METHODOLOGY” herein.

### Assessment Methodology/Projected Level of District Assessments

The Series 2024 Bonds will be secured by the Series 2024 Assessments which will be initially levied on the 224.6+/- gross acres of land within Assessment Area One planned for 604 lots. As such lots are platted, the Series 2024 Assessments will be assigned to lots on a first platted, first assigned basis on a per unit basis as set forth below and in the Assessment Methodology attached hereto. See “THE DEVELOPMENT – Development Plan/Status” and “APPENDIX E – ASSESSMENT METHODOLOGY” herein.

Product Type	Number of Units	Estimated Annual Series 2024 Assessments Per Unit*/**	Estimated Series 2024 Bonds Par Debt Per Unit*
Townhome	210	\$ 887.10	\$11,357.72
Single-Family	<u>394</u>	1,774.19	22,715.43
<b>Total</b>	<b>604</b>		

\* Preliminary, subject to change.

\*\* This amount is grossed up to include early payment discounts and County collection fees of 7%.

The District anticipates levying assessments to cover its operation and maintenance costs that are initially expected to be approximately \$950 per residential unit annually; which amount is subject to change. In addition, residents within the Development will be required to pay homeowners association fees currently estimated to be \$90 per residential unit annually. The land within the District has been and is expected to

be subject to taxes and assessments imposed by taxing authorities other than the District. The total millage rate imposed on taxable properties in the District for 2023 was approximately 15.9608 mills, which millage rate is subject to change in future tax years. These taxes would be payable in addition to the Series 2024 Assessments and any other assessments levied by the District. In addition, exclusive of voter approved millages levied for general obligation bonds, as to which no limit applies, the County and the School District of Nassau County, Florida may each levy ad valorem taxes and/or special assessments upon the land in the District. The District has no control over the level of ad valorem taxes and/or special assessments levied by other taxing authorities. It is possible that in future years taxes levied by these other entities could be substantially higher than in the current year. See “THE DEVELOPMENT – Taxes, Fees and Assessments” for more information.

### **Prepayment of Special Assessments**

Pursuant to the Assessment Proceedings of the District, an owner of property subject to the Series 2024 Assessments may pay all or a portion (one time) of the principal balance of such Series 2024 Assessments remaining due at any time if there is also paid an amount equal to the interest that would otherwise be due on such balance on the next succeeding Quarterly Redemption Date for the Series 2024 Bonds, or, if prepaid during the forty-five (45) day period preceding such Quarterly Redemption Date, on the second succeeding Quarterly 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 Assessment Area One Project has been completed or acquired by the District, and the Board has adopted a resolution accepting the Assessment Area One Project pursuant to Chapter 170.09, Florida Statutes. For the property owned by the Developer, the Developer will covenant to waive this right in connection with the issuance of the Series 2024 Bonds pursuant to a “Declaration of Consent (2024 Bonds)” to be executed and delivered by the Developer contemporaneously with the issuance of the Series 2024 Bonds. Such declaration will be recorded in the public records of the County, and the covenants contained therein will be binding on future landowners of the District.

Any prepayment of Series 2024 Assessments will result in the extraordinary mandatory redemption of a portion of the 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.

### **Developer Agreements**

The Developer will enter into several agreements with the District in connection with the issuance of the Series 2024 Bonds. Specifically, the Developer will enter into a completion agreement that will obligate the Developer to complete any portions of the Assessment Area One Project not funded with proceeds of the Series 2024 Bonds. Notwithstanding such completion agreement, there is a risk that the Assessment Area One Project will not be completed. See “BONDOWNERS’ RISK – No. 17” herein.

In addition, the Developer will execute and deliver to the District a collateral assignment agreement pursuant to which the Developer will collaterally assign to the District, to the extent assignable and to the extent that they are solely owned or controlled by the Developer, development rights relating to the Assessment Area One Project. Notwithstanding such collateral assignment agreement, and in the event the District forecloses on the lands subject to the Series 2024 Assessments as a result of a Developer’s or subsequent landowners’ failure to pay such assessments, there is a risk that the District will not have all permits and entitlements necessary to complete the Assessment Area One Project or the development of

the lands in the District sufficient to absorb the allocation of the Series 2024 Assessments. See “BONDOWNERS’ RISK – No. 17” herein.

Finally, the Developer will also enter into a true-up agreement in connection with its obligations to pay any requisite true-up payments in the event that, generally stated, debt levels remaining on unplatted lands in the District increase above the maximum debt levels set forth in the Assessment Methodology. See “APPENDIX E – ASSESSMENT METHODOLOGY” herein for additional information regarding the “true-up mechanism.”

The descriptions of the various agreements herein are all qualified by the specific terms of the agreements. All such obligations of the Developer are unsecured obligations.

### **Covenant Against Sale or Encumbrance**

In the Indenture, the District will covenant that (a) except for those improvements comprising any project that are to be conveyed or dedicated by the District to the County, the State Department of Transportation or another governmental entity and (b) except as otherwise permitted in the Indenture, it will not sell, lease or otherwise dispose of or encumber any Project or any part thereof. See “APPENDIX B – PROPOSED FORMS OF INDENTURE” herein.

### **2024 Reserve Account**

The Indenture creates a 2024 Reserve Account within the Debt Service Reserve Fund solely for the benefit of the Series 2024 Bonds. The 2024 Reserve Account will, at the time of delivery of the Series 2024 Bonds, be funded from a portion of the proceeds of the Series 2024 Bonds in an amount equal to the 2024 Reserve Account Requirement. “2024 Reserve Account Requirement” shall mean, as the Debt Service Reserve Requirement with respect to the Series 2024 Bonds, initially, an amount equal to the maximum annual Debt Service Requirements with respect to the Series 2024 Bonds, as determined from time to time on the date of any such calculation. Upon satisfaction of 2024 Reserve Account Release Condition #1, the 2024 Reserve Account Requirement shall be reduced to 50% of the maximum annual Debt Service Requirements of the then Outstanding Series 2024 Bonds. Upon satisfaction of 2024 Reserve Account Release Condition #2, the 2024 Reserve Account Requirement shall be further reduced to 10% of the maximum annual Debt Service Requirement of the then Outstanding Series 2024 Bonds. Satisfaction of 2024 Reserve Account Release Condition #1 or 2024 Reserve Account Release Condition #2 shall be evidenced by a written certificate of the District Manager in substantially the form attached hereto and delivered to the Trustee, upon which the Trustee may conclusively rely. The 2024 Reserve Account Requirement shall be re-calculated 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). The 2024 Reserve Account Requirement is initially \$\_\_\_\_\_.

“Reserve Account Release Condition #1” shall mean, collectively, (i) all of the Outstanding principal portion of the Series 2024 Assessments has been assigned to residential units that have been developed, platted and conveyed to homebuilders (as certified by the District Manager to the Trustee in writing, and the Trustee may rely conclusively upon such certifications and shall have no duty to verify the same), and (ii) there shall be no Events of Default under the Indenture with respect to the Series 2024 Bonds. “Reserve Account Release Condition #2” 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. Reserve

Account Release Condition #1 and Reserve Account Release Condition #2 are herein collectively referred to as “Reserve Account Release Conditions.”

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 Subaccount 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.

Any excess in the 2024 Reserve Account as a result of satisfaction of 2024 Reserve Account Release Condition #1 or 2024 Reserve Account Release Condition #2, as evidenced by a written certificate of the District Manager delivered to the District and the Trustee stating that the 2024 Reserve Account Release Conditions have been satisfied and setting forth the amount of the new 2024 Reserve Requirement (upon which certificate the Trustee may conclusively rely), shall be deposited to the 2024 Acquisition and Construction Account.

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 shall be applied as provided below) shall be deposited to the 2024 Prepayment Account.

Provided no deficiency exists in the 2024 Reserve Account, all earnings on investments in the 2024 Reserve Account shall be deposited (i) prior to the Completion Date of the Assessment Area One Project to the 2024 Acquisition and Construction Account, and (ii) after the Completion Date of the Assessment Area One Project to the 2024 Revenue Account. If a deficiency exists in the 2024 Reserve Account earnings shall be deposited in the 2024 Reserve Account until the deficiency is cured. Such Account shall consist only of cash and Investment Securities.

Subject to the provisions of the First Supplemental Indenture, on any date the District or the District Manager, on behalf of the District, receives notice that a landowner wishes to prepay its Series 2024 Assessments relating to the benefited property of such landowner within the District, or as a result of a mandatory true-up payment (a “Prepayment”), the District shall cause the District Manager, on behalf of the District, to calculate the principal amount of such Prepayment taking into account a credit against the amount of the Prepayment Principal due by the amount of money in the 2024 Reserve Account that will be in excess of the 2024 Reserve Account Requirement as a result of the proposed Prepayment. Such excess in the 2024 Reserve Account shall be transferred by the Trustee to the 2024 Prepayment Account as a result of such Prepayment. The District Manager, on behalf of the District, shall make such calculation within ten (10) Business Days after receiving notice of such Prepayment and shall instruct the Trustee in writing to transfer such amount of credit given to the landowner from the 2024 Reserve Account to the 2024 Prepayment Account to be used for the extraordinary mandatory redemption of the Series 2024 Bonds. The Trustee is authorized to make such transfers and has no duty to verify such calculations.

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 use 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 Indenture, the Trustee shall transfer from amounts on deposit in the 2024 Revenue Account to the Funds and Accounts designated below, the following amounts, at the following times and 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, 20\_\_, 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.

It shall not constitute an Event of Default under the Indenture 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 the Indenture.

### **Investment or Deposit of Funds**

The Trustee shall, as directed by the District in writing, invest moneys on deposit in all of the Funds and Accounts held as security for the Series 2024 Bonds only in Government Obligations and securities described in subparagraphs (iii), (iv), (v), (vi), (vii) or (xi) of the definition of Investment Securities, as set forth in the Indenture. 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, 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 the Indenture. See “APPENDIX B – PROPOSED FORMS OF INDENTURE” herein. All deposits in time accounts shall be subject to withdrawal without penalty and all investments shall mature or be subject to redemption by the holder without penalty, not later than the date when the amounts will foreseeably be needed for purposes set forth in the Indenture. All securities securing investments under the Indenture shall be deposited with a Federal Reserve Bank, with the trust department of the Trustee, as authorized by law with respect to trust funds in the State, or with a bank or trust company having a combined net capital and surplus of not less than \$50,000,000. The interest and income received upon such investments and any interest paid by the Trustee or any other depository of any Fund or Account and any profit or loss resulting from the sale of securities shall be added or charged to the Fund or Account for which such investments are made; provided, however, that if the amount in any Fund or Account equals or exceeds the amount required to be on deposit therein, subject to the Indenture, any interest and other income so received shall be deposited as provided above. Upon written request of the District, or on its own

initiative whenever payment is to be made out of any Fund or Account, the Trustee shall sell such securities as may be requested to make the payment and restore the proceeds to the Fund or Account in which the securities were held. The Trustee shall not be accountable for any depreciation in the value of any such security or for any loss resulting from the sale thereof. If net proceeds from the sale of securities held in any Fund or Account shall be less than the amount invested and, as a result, the amount on deposit in such Fund or Account is less than the amount required to be on deposit in such Fund or Account, the amount of such deficit shall be transferred to such Fund or Account from the related Series Account of the Revenue Fund.

Absent specific instructions as aforesaid, or absent a standing written direction from the District for the investment of such moneys, the Trustee shall hold such moneys uninvested and shall not be liable or responsible 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 District or otherwise, including that set forth in the first sentence of this paragraph. The Trustee may conclusively rely upon the District's written instructions as to both the suitability and legality of all investments directed under the Indenture. Ratings of investments shall be determined 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.

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

The District has covenanted to levy the Series 2024 Assessments to the extent and in the amount sufficient to pay debt service on the Series 2024 Bonds when due. If any Series 2024 Assessment shall be either in whole or in part annulled, vacated or set aside by the judgment of any court, or if the District shall be satisfied that any such Series 2024 Assessment is so irregular or defective that the same cannot be enforced or collected, or if the District shall have omitted to make such Series 2024 Assessment when it might have done so, the District shall either (i) take all necessary steps to cause new Series 2024 Assessments 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 Assessments from legally available moneys, which moneys shall be deposited into the 2024 Revenue Account. In case such second Series 2024 Assessment shall be annulled, the District shall obtain and make other Series 2024 Assessments until a valid Series 2024 Assessment shall be made.

#### **Additional Obligations**

The District will covenant in the Indenture that other than Bonds issued to refund a portion of the 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 Pledged Revenues. In addition, the District will covenant in the Indenture not to issue any other Bonds or other debt obligations secured by Special Assessments for any capital project on assessable lands which are also encumbered by the Series 2024 Assessments 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 also impose Operation and Maintenance Assessments on

property subject to the Series 2024 Assessments at any time. “Substantially Absorbed” shall mean the date on which 90% of the Series 2024 Assessments are levied on tax parcels within the District with respect to which a certificate of occupancy has been issued for a structure thereon. 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 such certificate, may assume that the Series 2024 Assessments have not been Substantially Absorbed.

## **Events of Default and Remedies**

Events of Default Defined. The Master Indenture provides that each of the following shall be an “Event of Default” under the Master Indenture, with respect to the Series 2024 Bonds:

(a) if payment of any installment of interest on the Series 2024 Bonds is not made when it becomes due and payable; or

(b) if payment of the principal or Redemption Price on the 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 the Series 2024 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 the 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 Majority Owners of the Series 2024 Bonds; provided, however, that if such performance requires work to be done, actions to be taken, or conditions to be remedied, which by their nature cannot reasonably be done, taken or remedied, as the case may be, within such sixty (60) day period, no Event of Default shall be deemed to have occurred or exist if, and so long as the District shall commence such performance within such sixty (60) day period and shall diligently and continuously prosecute the same to completion; or

(f) if at any time the amount in the Reserve Account in the Debt Service Reserve Fund established for such Series is less than the Debt Service Reserve Requirement as a result of the Trustee withdrawing an amount therefrom to satisfy the Debt Service Requirement on the Series 2024 Bonds and such amount has not been restored within ninety (90) days of such withdrawal; or

(g) if on an Interest Payment Date the amount in the 2024 Interest Account, the 2024 Principal Account or the 2024 Sinking Fund Account, as the case may be, is insufficient to pay all amounts payable on the Series 2024 Bonds on such Interest Payment Date (without regard to any amount available for such purpose in the applicable Debt Service Reserve Account); or

(h) if, at any time after eighteen months following issuance of the Series 2024 Bonds, more than twenty percent (20%) of the “maintenance special assessments” levied by the District on the District Lands upon which the Special Assessments are levied to secure one or more Series 2024 Bonds pursuant to Section 190.021(3), Florida Statutes, as amended, and collected directly by the District have become due and payable and have not been paid within ninety (90) days of the date when due.

The Trustee shall not be required to rely on any official action, admission or declaration by the District before recognizing that an Event of Default under (c) above has occurred. Furthermore, an Event of Default with respect to a particular Series of Bonds shall not be an Event of Default as to any other Series of Bonds, unless otherwise provided in a Supplemental Indenture.

Legal Proceedings by Trustee. 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 of the Series 2024 Bonds and receipt of indemnity to its satisfaction shall, in its capacity as Trustee:

(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 the Series 2024 Bonds.

No Acceleration; Redemption. No Series 2024 Bonds shall be subject to acceleration unless the Series 2024 Assessments have been accelerated. Upon an Event of Default, no optional redemption or extraordinary mandatory redemption of the Series 2024 Bonds pursuant to the Indenture shall occur unless either all of the Series 2024 Bonds where an Event of Default has occurred will be redeemed or if 100% of the registered owners of the Outstanding Series 2024 Bonds agree to such redemption.

Discontinuance of Proceedings by Trustee. If any proceeding taken by the Trustee on account of any Event of Default is discontinued or is determined adversely to the Trustee, the District, 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.

Bondholders May Direct Proceedings. The Majority Owners of the Outstanding Series 2024 Bonds then subject to remedial proceedings under the 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 and the provisions of the Indenture.



## **ENFORCEMENT OF ASSESSMENT COLLECTIONS**

### **General**

The primary source of payment for the Series 2024 Bonds is the collection of Series 2024 Assessments imposed on the assessable lands within the District specially benefited by the Assessment Area One Project pursuant to the Assessment Proceedings. See “ASSESSMENT METHODOLOGY” herein and “APPENDIX E – ASSESSMENT METHODOLOGY.”

The imposition, levy, and collection of Series 2024 Assessments must be done in compliance with the provisions of Florida law. Failure by the District, the Nassau County Tax Collector (“Tax Collector”) or the Nassau County Property Appraiser (“Property Appraiser”) to comply with such requirements could result in delay in the collection of, or the complete inability to collect, Series 2024 Assessments during any year. Such delays in the collection of Series 2024 Assessments, or complete inability to collect the 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” herein. To the extent that landowners fail to pay the Series 2024 Assessments, delay payments, or are unable to pay the same, the successful pursuance of collection procedures available to the District is essential to continued payment of principal of and interest on the Series 2024 Bonds.

For the Series 2024 Assessments to be valid, the Series 2024 Assessments must meet two requirements: (1) the benefit from the Assessment Area One Project to the lands subject to the Series 2024 Assessments must exceed or equal the amount of the Series 2024 Assessments, and (2) the Series 2024 Assessments must be fairly and reasonably allocated across all such benefitted properties. The Certificate of the Methodology Consultant, to be provided at the time of the issuance of the Series 2024 Bonds, will certify that these requirements have been met with respect to the Series 2024 Assessments. In the event that the Series 2024 Assessments are levied based on the assumptions that future contributions will be made, or that future assessments may be levied to secure future bond issuances, the Series 2024 Assessments may need to be reallocated in the event such contributions are not made and/or future assessments and bonds are not levied and issued.

Pursuant to the Act and the Assessment Proceedings, the District may collect the Series 2024 Assessments through a variety of methods. See “BONDOWNERS’ RISKS” herein. With respect to the Series 2024 Assessments levied on undeveloped properties owned by the Developer and subsequent landowners, the District will directly issue annual bills to landowners requiring payment of the Series 2024 Assessments, and will enforce that bill through foreclosure proceedings. See “ASSESSMENT METHODOLOGY” herein and “APPENDIX E – ASSESSMENT METHODOLOGY” hereto. As lands within the Assessment Area One are platted, the Series 2024 Assessments will be added to the County tax roll and collected pursuant to the Uniform Method of Collection provided by State law (the “Uniform Method”). The following is a description of certain statutory provisions relating to each of these collection methods. Such description is not intended to be exhaustive and is qualified in its entirety by reference to such statutes.

THERE CAN BE NO ASSURANCE THAT ANY SALE OF LAND SUBJECT TO DELINQUENT ASSESSMENTS WILL PRODUCE PROCEEDS SUFFICIENT TO PAY THE FULL AMOUNT OF SUCH DELINQUENT ASSESSMENTS PLUS OTHER DELINQUENT TAXES AND ASSESSMENTS APPLICABLE THERETO.

Chapter 170, Florida Statutes, provides that the Series 2024 Assessments constitute a lien on the real property in the District co-equal with all State, County, district and municipal taxes, superior in dignity to all other liens, titles and claims on such real property, until paid, and that the Series 2024 Assessments

may be collected as and when needed in an amount sufficient to pay the principal of and interest on the Series 2024 Bonds when due. ALTHOUGH THE LIEN AND THE PROCEEDS OF THE SERIES 2024 ASSESSMENTS WILL SECURE THE SERIES 2024 BONDS, AND SAID LIEN AND PROCEEDS OF THE SERIES 2024 ASSESSMENTS ARE PLEDGED TO THE SERIES 2024 BONDS, THE LIEN OF THE SERIES 2024 ASSESSMENTS MAY BE ON THE SAME PROPERTY AS, AND THEREFORE OVERLAP AND BE CO-EQUAL WITH, THE LIENS IN FAVOR OF OTHER ASSESSMENTS AND/OR TAXES WHICH HAVE BEEN OR MAY BE IMPOSED BY THE DISTRICT, THE COUNTY OR OTHER UNITS OF LOCAL GOVERNMENT HAVING ASSESSMENT POWERS WITHIN THE DISTRICT.

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

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

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

### **Uniform Method Procedure**

Subject to certain conditions, and for platted lands subject to the lien of the Series 2024 Assessments, the District may alternatively elect to collect the Series 2024 Assessments 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.

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

All Taxes and Assessments are payable at one time, except for partial payment schedules as may be provided by Florida law such as Sections 197.374 and 197.222, Florida Statutes. Partial payments made pursuant to Sections 197.374 and 197.222, Florida Statutes, are distributed in equal proportion to all taxing districts and levying authorities applicable to that account. If a taxpayer does not make complete payment of the total amount, he or she cannot designate specific line items on his or her tax bill as deemed paid in full. Therefore, in the event the Series 2024 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 (3) months, the taxpayer is granted a variable discount equal to four percent (4%) in November and decreasing one percentage point per month to one percent (1%) in February. All unpaid Taxes and Assessments become delinquent on April 1 of the year following assessment.

The Tax Collector is required to collect the Taxes and Assessments on the tax bill prior to April 1 and, after that date, to institute statutory procedures upon delinquency to collect such Taxes and Assessments through the sale of "tax certificates," as discussed below. Delay in the mailing of tax notices to taxpayers may result in a delay throughout this process. Neither the District nor the Underwriter can give any assurance to the holders of the Series 2024 Bonds that (1) 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) future landowners and taxpayers in the District will pay such Series 2024 Assessments, (3) a market may exist in the future for tax certificates in the event of sale of such certificates for taxable units within the District, and (4) 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. Prior to the sale of tax certificates, the landowner may bring current the delinquent Taxes and Assessments and cancel the tax certificate process by paying the total amount of delinquent Taxes and Assessments plus all applicable interest, costs and charges. If the landowner does not act, the Tax Collector is required to attempt to sell tax certificates by public bid to the person who pays the delinquent Taxes and Assessments owing, and any applicable interest, costs and charges, and who accepts the lowest interest rate per annum to be borne by the certificates (but not more than eighteen percent (18%)).

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

Any tax certificate in the hands of a person other than the County may be redeemed and canceled, in whole or in part (under certain circumstances), at any time before a tax deed is issued (unless full payment for a tax deed is made to the clerk of court, including documentary stamps and recording fees), at a price equal to the face amount of the certificate or portion thereof together with all interest, costs, and charges due. Regardless of the interest rate actually borne by the certificates, persons redeeming tax certificates

must pay a minimum interest rate of five percent (5%), unless the rate borne by the certificates is zero percent (0%). The proceeds of such a redemption are paid to the Tax Collector who transmits to the holder of the tax certificate such proceeds less service charges, and the certificate is canceled. Redemption of tax certificates held by the County is effected by purchase of such certificates from the County, as described above.

Any holder, other than the County, of a tax certificate that has not been redeemed has seven (7) years from the date of issuance of the tax certificate during which to act against the land that is the subject of the tax certificate. After an initial period ending two (2) years from April 1 of the year of issuance of a certificate, during which period actions against the land are held in abeyance to allow for sales and redemptions of tax certificates, and before the expiration of seven years from the date of issuance, the holder of a certificate may apply for a tax deed to the subject land. The applicant is required to pay to the Tax Collector at the time of application all amounts required to redeem or purchase all other outstanding tax certificates covering the land, plus interest, any omitted taxes or delinquent taxes and interest, and current taxes, if due (as well as any costs of resale, if applicable). If the County holds a tax certificate on property valued at \$5,000 or more and has not succeeded in selling it, the County must apply for a tax deed two years after April 1 of the year of issuance of the certificate or as soon thereafter as is reasonable. The County pays costs and fees to the Tax Collector but not any amount to redeem any other outstanding certificates covering the land. Thereafter, the property is advertised for public sale.

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

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

If there are no bidders at the public sale, the clerk shall enter the land on a list entitled "lands available for taxes" and shall immediately notify the County Commission that the property is available. At any time within ninety (90) days from the date the property is placed on the list, the County may purchase the land for the opening bid or may waive its rights to purchase the property. Thereafter, and without further

notice or advertising, any person, the County or any other governmental unit may purchase the land by paying the amount of the opening bid. Ad valorem taxes and non-ad valorem assessments accruing after the date of public sale do not require repetition of the bidding process but are added to the minimum bid. Three (3) years from the date the property was offered for sale, unsold lands escheat to the County in which they are located, free and clear, and all tax certificates and liens against the property are canceled and a deed is executed vesting title in the governing board of such County.

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

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## **BONDOWNERS' RISKS**

There are certain risks inherent in an investment in bonds issued by a public authority or governmental body in the State and secured by special assessments. Certain of these risks are described under other headings in this Limited Offering Memorandum. Certain additional risks are associated with the Series 2024 Bonds offered hereby 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. The information under this heading 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.

1. As of the date hereof, the Developer owns all of the lands within the Development, which are the lands that will be subject to the Series 2024 Assessments securing the Series 2024 Bonds. See “SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2024 BONDS” herein.

2. Payment of the Series 2024 Assessments is primarily dependent upon their timely payment by the Developer and subsequent landowners in the District. See “THE DEVELOPER” herein. 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 being able 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. The District shall directly collect the Series 2024 Assessments in lieu of using 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. 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.

3. 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 owners of the land subject thereto, but are secured by a lien on such land. There is no assurance that the 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. Beyond legal delays that could result from bankruptcy or other legal proceedings contesting an ad valorem tax or non-ad valorem assessment, the ability of the Tax Collector to sell tax certificates in regard to delinquent Series 2024 Assessments collected pursuant to the Uniform Method will be dependent upon various factors, including the interest rate which can be earned by ownership of such certificates and the value of the land which is the subject of such certificates and which may be subject to sale at the demand of the certificate holder after two years. The assessment of the benefits to be received by the benefited land within the Development as

a result of implementation and development of the Assessment Area One Project is not indicative of the realizable or market value of the land, which value may actually be higher or lower than the assessment of benefits. To the extent that the realizable or market value of the land benefited by the Assessment Area One Project is lower than the assessment of benefits, the ability of the Tax Collector to sell tax certificates relating to such land or the ability of the District to realize sufficient value from a foreclosure action to pay debt service on the Series 2024 Bonds may be adversely affected. Such adverse effect could render the District unable to collect delinquent Series 2024 Assessments, if any, and provided such delinquencies are significant, could negatively impact the ability of the District to make the full or punctual payment of debt service on the Series 2024 Bonds.

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

5. The successful sale of the residential units, once such homes are built within the Development 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.

6. 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 the development and construction of the 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

7. Neither the Developer nor any other subsequent landowner in the Development has any personal obligation to pay the Series 2024 Assessments. As described herein, the Series 2024 Assessments are an imposition against the land only. Neither the Developer nor any other subsequent landowner is a guarantor of payment of any Series 2024 Assessment and the recourse for the failure of the Developer or any other landowner to pay the Series 2024 Assessments is limited to the collection proceedings against the land as described herein.

8. 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 and homeowners' associations.

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

10. In addition to legal delays that could result from bankruptcy or legal proceedings contesting an ad valorem tax or non-ad valorem assessment, the ability of the District to enforce collection of delinquent Series 2024 Assessments will be dependent upon various factors, including the delay inherent in any judicial proceeding to enforce the lien of the Series 2024 Assessments and the value of the land which is the subject of such proceedings and which may be subject to sale. See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2024 BONDS" herein. If the District has difficulty in collecting the Series 2024 Assessments, the 2024 Reserve Account could be rapidly depleted and the ability of the District to pay debt service would 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 such purpose, the District does not have a designated revenue source for replenishing such account. Moreover, the District may not be permitted to re-assess real property then burdened by the Series 2024 Assessments in order to provide for the replenishment of the Series 2024 Reserve Account.

11. The value of the land within the District, the success of the development of the Development 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 Development 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. Based on the environmental site assessments described in "THE DEVELOPMENT – Environmental," the Developer is not aware of any condition with respect to the Development which currently requires, or is reasonably expected to require in the foreseeable future, investigation or remediation under any applicable federal, state or local governmental laws or regulations relating to the environment. See "THE DEVELOPMENT – Environmental" for more information on the environmental site assessments. Nevertheless, it is possible that hazardous environmental conditions could exist within the District and that such conditions could have a material and adverse impact upon the value of the benefited lands within the Development and no assurance can be given that unknown hazardous materials, protected animals or vegetative species, etc., do not currently exist or may not develop in the future whether originating within the District or from surrounding property, and what effect such may have on the development of the Development.

12. If the District should commence a foreclosure action against a landowner for nonpayment of Series 2024 Assessments and if the Series 2024 Assessments are not being collected pursuant to the Uniform Method, such landowners and any other lien holders, including mortgagees under recorded



mortgage instruments, may raise affirmative defenses to such foreclosure action, which although such affirmative defenses would likely be proven to be without merit, could result in delays in completing the foreclosure action. 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 Series 2024 Bondholders to allow funds on deposit under the Indenture to be used to pay the costs of the foreclosure action. Under the Code, there are limitations on the amounts of Series 2024 Bond proceeds that can be used for such purpose.

13. Under Florida law, a landowner may contest the assessed valuation determined for its property which 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 the Series 2024 Assessment even though the landowner is not contesting the amount of Series 2024 Assessments. However, Section 194.014, Florida Statutes, requires taxpayers challenging the assessed value of their property to pay all non-ad valorem taxes 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. In the event a taxpayer fails to pay their property taxes, the Value Adjustment Board is required to deny their petition by written decision by April 20 of such year.

14. 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 conducted a 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 require that a political subdivision (i) have the power to exercise at least one sovereign power, (ii) be formed and operated for a governmental purpose, and (iii) have a governing body controlled by or have significant uses of its 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 will 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 believed that these proposed regulations should be withdrawn in their entirety.” On October 20, 2017 a notice of withdrawal was published in the Federal Register. Treasury and the IRS may propose more targeted guidance in the future after further study of the relevant legal issues.

It has been reported that the IRS has closed audits of other community development districts in Florida with no change to such districts’ bonds’ tax-exempt status, but has advised such districts that such districts must have public electors within five years of the issuance of tax-exempt bonds or their bonds may be determined to be taxable retroactive to the date of issuance. Pursuant to the Act, general elections are not held until the District has been established for six years and there are 250 qualified electors in the district. The District, unlike Village Center CDD, was formed with the intent that it will contain a sufficient number of residents to allow for a transition to control by resident landowners unaffiliated with the Developer. Currently, all members of the Board of the District are employees of, or affiliated with, the Developer. The Developer will certify as to its expectations as to the timing of the transition of control of the Board to qualified electors pursuant to the Act, and its expectations as to compliance with the Act by any members of the Board that they elect; thus, if the District does not reach the minimum 250 qualified electors after the sale of units to homebuyers, although the Board will continue to be elected by landowners, these landowners will be homebuyers, in the District. 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 RATE 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 THE SECURITIES ACT (AS HEREINAFTER DEFINED).

15. In addition to a possible determination by the IRS that the District is not a political subdivision for purposes of the Code, and regardless of the IRS determination, it is possible that federal or state regulatory authorities could also determine that the District is not a political subdivision for purposes of the federal and state securities laws. Accordingly, the District and purchasers of Series 2024 Bonds may not be able to rely on the exemption from registration under the Securities Act of 1933, as amended (the “Securities Act”), relating to securities issued by political subdivisions. In that event the Owners of the 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.

16. Various proposals are mentioned from time to time by members of the Congress of the United States of America and others concerning reform of the internal revenue (tax) laws of the United States. In addition, the IRS may, in the future, issue rulings that have the effect of changing the interpretation of existing tax laws. Certain of these proposals and interpretations, if implemented or upheld, could have the effect of diminishing the value of obligations of states and their political subdivisions, such as the Series 2024 Bonds, by eliminating or changing the tax-exempt status of interest on certain of such bonds. Whether any of such proposals will ultimately become or be upheld as law, and if so, the effect such proposals could have upon the value of bonds such as the 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. See also “TAX MATTERS.”

17. There can be no assurance, in the event the District does not have sufficient moneys on hand to complete the Assessment Area One Project, that the District will be able to raise through the issuance of bonds, or otherwise, the moneys necessary to complete the Assessment Area One Project. Further, pursuant to the First Supplemental Indenture, the District will covenant not to issue any other Bonds or other debt obligations secured by Series 2024 Assessments levied against the assessable lands within the District to finance any capital project until the Series 2024 Assessments are Substantially Absorbed. See “SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2024 BONDS – Additional Obligations” for more information. The Developer will enter into a completion agreement with the District with respect to any unfinished portions of the Assessment Area One Project not funded with the proceeds of the Series 2024 Bonds, but there is no assurance that the Developer will have sufficient resources to complete the Assessment Area One Project. The Developer will also execute and deliver to the District a collateral assignment agreement, pursuant to which the Developer will collaterally assign to the District, to the extent assignable and to the extent that they are solely owned or controlled by the Developer, development rights relating to the Assessment Area One Project. The Builder’s respective obligation to close on the lots under the Builder Contracts is conditioned, among other things, upon the completion of the development of such lots. In the event the Developer is not able to satisfy the conditions in the Builder Contracts, there is a risk that the Builders will not close on the lots within Assessment Area One. See “THE CAPITAL IMPROVEMENT PLAN AND THE ASSESSMENT AREA ONE PROJECT” and “THE DEVELOPMENT” herein for more information.

18. It is impossible to predict what new proposals may be presented regarding ad valorem 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 renews requests made by the Auditor General in 2011 that led to the Governor of the State issuing an Executive Order on January 11, 2012 (the “Executive Order”) directing the Office of Policy and Budget in the Executive Office of the Governor (“OPB”) to examine the role of special districts in the State. 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 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.”

19. In the event a bank forecloses on property because of a default on the mortgage 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. In addition, the District would be required to obtain the consent of the FDIC prior to commencing a foreclosure action.

20. 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.

21. 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 Assessment Area One 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 “BONDOWNERS’ RISKS – No. 5” and “–No. 17” herein.

22. In addition to being subject to optional and mandatory sinking fund redemptions, the Series 2024 Bonds are subject to extraordinary mandatory redemption as a result of prepayments of the Series 2024 Assessments by the Developer or subsequent owners of the property within the Development. 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” and “SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2024 BONDS – Prepayment of Series 2024 Assessments” herein for more information.

**ESTIMATED SOURCES AND USES OF FUNDS**

The table that follows summarizes the estimated sources and uses of proceeds of the Series 2024 Bonds:

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

<sup>(1)</sup> To be applied to pay interest on the Series 2024 Bonds through November 1, 2024.

<sup>(2)</sup> Costs of issuance includes, without limitation, legal fees and other costs associated with the issuance of the Series 2024 Bonds.

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## DEBT SERVICE REQUIREMENTS

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

Year Ending November 1	Principal (Amortization)	Interest	Total Debt Service
2024	\$	\$	\$
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
2045			
2046			
2047			
2048			
2049			
2050			
2051			
2052			
2053			
2054*			
TOTAL	\$	\$	\$

\* The Series 2024 Bonds mature on May 1, 20\_\_.

## THE DISTRICT

### General

The District is an independent local unit of special-purpose government of the State created in accordance with the provisions of the Act by Ordinance No. 2021-10 duly enacted by the Board of County Commissioners of Nassau County, Florida (the “County”) on June 28, 2021 and effective on July 2, 2021, as amended by Ordinance No. 2024-012 duly enacted by the County Commissioners on April 22, 2024 and effective on April 22, 2024 (collectively, the “Ordinance”). The boundaries of the District include approximately 312.17+/- gross acres of land (the “District Lands”) located in the unincorporated area of Nassau County, Florida (the “County”). The District Lands are currently being developed as a 918-unit master planned residential community to be known as “Liberty Cove” (the “Development”). See “THE DEVELOPMENT” herein for more information.

### Legal Powers and Authority

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

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

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

The Act exempts all property owned by the District from levy and sale by virtue of an execution and from judgment liens.

## Board of Supervisors

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

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

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

The Act provides that it shall not be an impermissible conflict of interest under 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>
Gregory Matovina*	Chairperson	November 2026
Chris Wood*	Vice-Chairperson	November 2026
William R. Howell, II*	Assistant Secretary	November 2024
Matt Roberts*	Assistant Secretary	November 2024
Brendan Moran*	Assistant Secretary	November 2024

\* 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 Board 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 shall have charge and supervision of the works of the District and shall be 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, to serve as its district manager (the “District Manager”). The District Manager’s office is located at 2300 Glades Road, Suite 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 Kutak Rock LLP, Tallahassee, Florida, as District Counsel; Akerman LLP, Jacksonville, Florida, as Bond Counsel and Connelly & Wicker, Inc., as District Engineer. The Board has also retained the District Manager to serve as Methodology Consultant.

**No Prior Indebtedness**

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

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

The District Lands encompass approximately 312.17+/- gross acres and are currently being developed as a 918-unit master planned residential community known as “Liberty Cove” referred to herein as the “Development.” Prosser, Inc. prepared a report entitled the Liberty Cove Community Development District Improvement Plan dated September 23, 2021 (the “Master Engineer’s Report”), as supplemented by the report prepared by Connelly & Wicker, Inc. (the “District Engineer”) entitled First Supplemental Engineer’s Report for the Liberty Cove Community Development District dated March 11, 2024 (the “Supplemental Engineer’s Report” and, together with the Master Engineer’s Report, the “Engineer’s Report”), which sets forth certain public infrastructure improvements necessary to develop the 918 residential units planned for the Development (the “Capital Improvement Plan”).

Land development associated with the Development is expected to occur in three phases, for which two assessment areas will be created. The first two phases of land development for the Development consist of approximately 224.6+/- gross acres of land within the District planned to contain of 604 residential units (“Assessment Area One”). The third phase of land development consists of the remaining 87.57+/- gross acres of land within the District planned to contain 314 residential units which will be developed in the future (“Assessment Area Two”). The portion of the Capital Improvement Plan associated with Assessment Area One is referred to herein as the “Assessment Area One Project.”

The Series 2024 Bonds are being issued to finance a portion of the Assessment Area One Project. The District Engineer, in the Engineer’s Report, estimates the total cost of the Assessment Area One Project to be approximately \$56,926,400, as more particularly described below.

<u>Assessment Area One Project Description</u>	<u>Total Costs</u>
Stormwater System	\$12,583,000
Sanitary Sewer	7,162,000
Water Distribution	4,775,000
Reclaimed Water Distribution	3,980,000
Undergrounding of Electrical Conduit	430,000
Conservation / Mitigation	1,730,000
Landscapes / Hardscape / Irrigation	6,333,000
On-Site Roadways	8,154,000
Off-Site Roadways	-
Contingency (20%)	9,029,400
Professional Fees	<u>2,750,000</u>
Total	<u>\$56,926,400</u>

Land development associated with Assessment Area One is expected to occur in two phases that consist of multiple subphases. Phase one is planned to contain 328 residential units (“Phase One”). Land development associated with Phase One is underway, with final completion expected in the fourth calendar quarter of 2025. Phase two is planned to contain 276 residential units (“Phase Two”). Land development associated with Phase Two is expected to commence in the first calendar quarter of 2025. See “THE DEVELOPMENT – Development Plan/Status” herein for additional information.

The Developer estimates that the total land development costs associated with Assessment Area One are expected to be approximately \$52.5 million, which is less than the amount originally estimated in the Engineer’s Report. As of the date hereof, approximately \$6.85 million has been spent on land development costs associated with Assessment Area One, a portion of which includes the Assessment Area One Project. See “THE DEVELOPMENT – Development Plan/Status” herein for additional information.

The net proceeds of the Series 2024 Bonds to be deposited into the Series 2024 Acquisition and Construction Account will be approximately \$9.91 million\* and such proceeds will be used by the District towards the funding and/or acquisition of a portion of the Assessment Area One Project. Costs of the Assessment Area One Project not funded with proceeds of the Series 2024 Bonds will be funded with: (i) deposits released to the Developer in accordance with the Builder Contracts, (ii) lot sale proceeds from Phase One, (iii) revenues from the sale of mobility and impact fee credits and (iv) Developer equity. The Developer will enter into a completion agreement that will obligate the Developer to complete any portions of the Assessment Area One Project not funded with proceeds of the Series 2024 Bonds. Such obligation of the Developer is an unsecured obligation. See “BONDOWNERS’ RISKS – No. 17” herein.

The District anticipates issuing additional bonds in the future to finance a portion of the Capital Improvement Plan associated with Assessment Area Two. Such additional bonds will be secured by Special Assessments which will be levied on lands which are separate and distinct from the lands within Assessment Area One which secure the Series 2024 Assessments. See “SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2024 BONDS – Additional Obligations” herein for more information.

The District Engineer has indicated that all engineering permits necessary to construct the Assessment Area One Project have either been obtained or are reasonably expected to be obtained in the ordinary course of business. See “APPENDIX A – ENGINEER’S REPORT” for more information.

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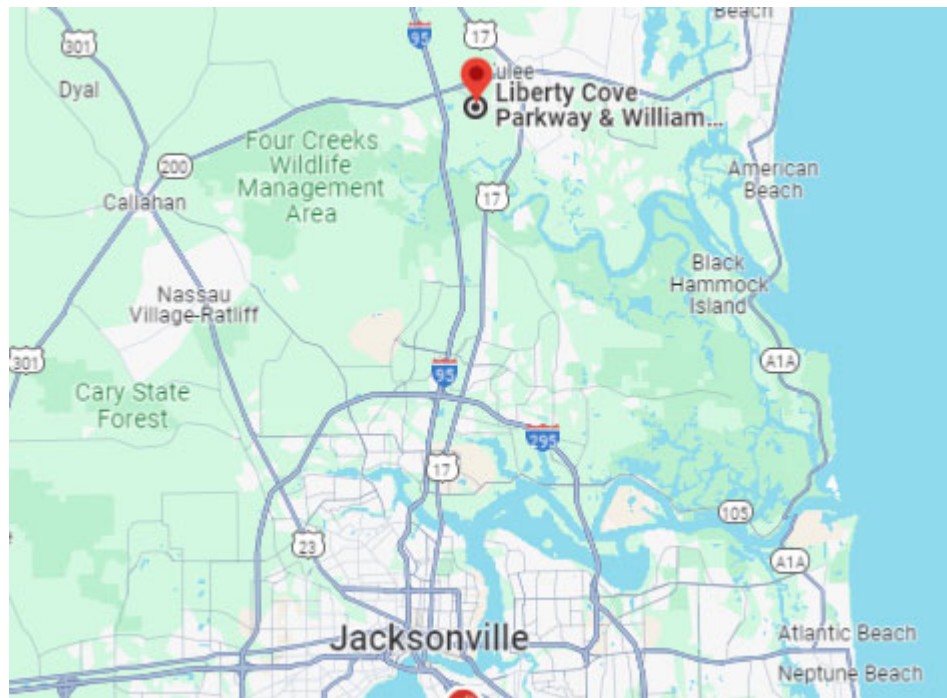
\* Preliminary, subject to change.

*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. Neither the Developer nor any other party is guaranteeing payment of the Series 2024 Bonds or the Series 2024 Assessments.*

## THE DEVELOPMENT

### General

The District Lands encompass approximately 312.17+/- gross acres of land located in unincorporated Nassau County, Florida (the “County”) and are currently being developed as a 918-unit master planned residential community to be known as “Liberty Cove” referred to herein as the “Development.” The Development is located south of William Burgess Boulevard, east of Interstate-95, west of US Highway 17, and north of the Nassau River. Interstate-95 and US Highway 17 provide convenient access to downtown Jacksonville, Florida, which is approximately 20 miles to the south. Set forth below is a map which depicts the approximate location of the Development.



Land development associated with the Development is expected to occur in three phases, for which two assessment areas will be created. The first two phases of land development for the Development consist of approximately 224.6+/- gross acres of land within the District planned to contain 604 residential units (“Assessment Area One”). The third phase of land development consists of the remaining 87.57+/- gross acres of land within the District planned to contain 314 residential units which will be developed in the future (“Assessment Area Two”). The portion of the Capital Improvement Plan associated with Assessment Area One is referred to herein as the “Assessment Area One Project.”

The Series 2024 Bonds are being issued to finance a portion of the Assessment Area One Project. The Series 2024 Bonds will be secured by the Series 2024 Assessments, which will be initially levied on the 224.6+/- gross acres of land within Assessment Area One until such time as the 604 planned lots within Assessment Area One are platted. As platting of the 604 lots occurs, the Series 2024 Assessments will be assigned to such platted lots on a first-platted, first-assigned basis as set forth in the Assessment Methodology attached hereto. See “APPENDIX E – ASSESSMENT METHODOLOGY” herein.

Liberty Cove Nassau, LLC, a Florida limited liability company (the “Developer”), is the landowner and developer for the Development. See “THE DEVELOPER” herein for more information. The Developer is installing master and parcel infrastructure improvements associated with the Development and will sell developed lots to homebuilders who will construct and market homes for sale to homebuyers. The Developer has entered into Builder Contracts for the sale of all 604 developed lots planned within Assessment Area One with (i) Horton for the sale of 210 townhome lots and 226 single-family lots (the “Horton Contracts”), (ii) Richmond American for the sale of 114 single-family lots (the “Richmond Contract”), and (iii) New Atlantic Builders for the sale of 54 single-family lots (the “New Atlantic Contract” and, together with the Horton Contracts and the Richmond Contract, the “Builder Contracts”). See “– Builder Contracts” herein for more information.

Assessment Area One is planned to contain 604 residential units consisting of (i) 210 townhomes and (ii) 394 single-family homes. Townhomes are expected to range in size from 1,200 square feet to 1,700 square feet with prices ranging from \$275,000 to \$325,000. Single-family homes are expected to range in size from 1,600 square feet to 3,600 square feet with prices ranging from \$325,000 to \$790,000. The target customers for residential units within the Development are first-time homebuyers and move-up homebuyers. See “– Residential Product Offerings” herein for more information.

### **Land Acquisition and Finance Plan**

The Developer acquired the District Lands and a multi-family parcel located outside the District boundaries with equity in two separate transactions on November 18, 2020 and November 30, 2021, respectively, for an aggregate purchase price of approximately \$13.7 million, of which approximately \$9.3 million is attributable to Assessment Area One. In December 2023, the Developer sold and closed the multi-family parcel for \$5.2 million and is using the proceeds of the sale to fund a portion of the Assessment Area One Project.

The Developer estimates that the total land development costs associated with Assessment Area One are expected to be approximately \$52.5 million, which is less than the amount originally estimated in the Engineer’s Report. As of the date hereof, approximately \$6.85 million has been spent toward land development associated with Assessment Area One, a portion of which includes the Assessment Area One Project. The net proceeds of the Series 2024 Bonds to be deposited into the Series 2024 Acquisition and Construction Account will be approximately \$9.91 million\* and such proceeds will be used by the District towards the funding and/or acquisition of a portion of the Assessment Area One Project.

Costs of the Assessment Area One Project not funded with proceeds of the Series 2024 Bonds will be funded with: (i) deposits released to the Developer in accordance with the Builder Contracts, (ii) lot sale proceeds from Phase One, (iii) revenues from the sale of mobility and impact fee credits and (iv) Developer equity. In addition to deposits released to the Developer pursuant to the Builder Contracts, lot sale proceeds and other equity available to the Developer, including, but not limited to, \$5.2 million derived from the sale of the multi-family parcel located outside of the District boundaries, the Developer is expected to receive impact and mobility fee credits that are expected to generate approximately \$6 million in cash revenue to

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\* Preliminary, subject to change.

the Developer. See “– Development Approvals” herein for more information. The Developer will enter into a completion agreement that will obligate the Developer to complete any portions of the Assessment Area One Project not funded with proceeds of the Series 2024 Bonds. Such obligation of the Developer is an unsecured obligation. See “BONDOWNERS’ RISKS – No. 17” herein.

### **Assessment Area One Development Plan/Status**

Land development associated with Assessment Area One is being completed in two general phases that consist of subphases, as more particularly described below. The subphases will coincide with lot delivery obligations in accordance with the Builder Contracts.

Phase One. Phase one is planned to contain 328 lots (“Phase One”). Land development associated with Phase One is expected to occur in the following subphases, which will coincide with lot delivery obligations under the Horton Contracts:

*Phase 1A.* Phase 1A is planned to contain 179 lots, consisting of 112 townhome lots and 67 single-family lots (“Phase 1A”). Land development associated with Phase 1A is underway, with final completion expected in the fourth calendar quarter of 2024. A final plat for the 179 lots comprising Phase 1A is expected to be recorded in the fourth calendar quarter of 2024. Horton is expected to commence takedowns of the lots within Phase 1A in the fourth calendar quarter of 2024, at which time vertical construction and sales of homes are expected to commence.

*Phase 1B.* Phase 1B is planned to contain 98 townhome lots (“Phase 1B”). Land development associated with Phase 1B is expected to commence in the second calendar quarter of 2025 and is expected to be completed in the fourth calendar quarter of 2025. A final plat for the 98 lots comprising Phase 1B is expected to be recorded in the fourth calendar quarter of 2025. Horton is expected to commence takedowns of the lots within Phase 1B in the fourth calendar quarter of 2025, at which time vertical construction and sales of homes are expected to commence.

*Phase 1C.* Phase 1C is planned to contain 51 single-family lots (“Phase 1C”). Land development associated with Phase 1C is expected to commence in the first calendar quarter of 2025, with final completion expected in the third calendar quarter of 2025. A final plat for the 51 lots comprising Phase 1C is expected to be recorded in the third calendar quarter of 2025. Horton is expected to commence takedowns of the lots within Phase 1C in the third calendar quarter of 2025, at which time vertical construction and sales of homes are expected to commence.

Phase Two. Phase two is planned to contain 276 lots (“Phase Two”). Land development associated with Phase Two is expected to occur in approximately three subphases, which will coincide with lot delivery obligations under their respective Builder Contract. Land development associated with Phase Two is expected to commence in the first calendar quarter of 2025 and each subphase is expected to be completed in the third calendar quarter of 2025, the first calendar quarter of 2026 and the second calendar quarter of 2026, respectively. A final plat for each subphase of Phase Two will be recorded near completion of land development of such subphase. In accordance with their respective Builder Contract, Builders are expected to commence takedowns of their respective lots within Phase Two concurrently with the completion of land development of the subphases of Phase Two.

Closings with homebuyers within Assessment Area One are expected to commence in April 2025. It is expected that approximately 200 residential units within Assessment Area One will be delivered to homebuyers per annum until buildout. 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.

### **Builder Contracts**

The Developer is installing master and parcel infrastructure improvements associated with the Development and will sell developed lots to homebuilders who will construct and market homes for sale to homebuyers. The Developer has entered into the following Builder Contracts for the sale of all 604 developed lots planned within Assessment Area One. The total expected consideration the Developer expects to receive for the 604 developed lots planned for Assessment Area One is approximately \$60 million. The Developer is also expected to receive impact and mobility fee credits that are expected to generate approximately \$6 million in cash revenue to the Developer once purchased by the Builders at each lot takedown. See “– Development Approvals” herein for more information

Horton. The Developer has entered into a Lot Purchase Agreement dated June 2, 2021, as amended (the “Phase One Horton Contract”), with D.R. Horton, a Delaware Corporation (“Horton”). The Phase One Horton Contract provides for the sale of 210 developed townhome lots and 116 developed single-family lots within Assessment Area One for a purchase price of approximately \$60,367 per townhome lot and \$86,445 per single-family lot, for an aggregate purchase price of approximately \$22.88 million. In connection therewith, Horton made an earnest money deposit of \$1.55 million, which has been released to the Developer and will be applied to the purchase price at each takedown on a pro rata per lot basis. Such earnest money deposit is secured by a mortgage on such lots to be acquired. The deposit shall be refundable only upon a default by the Developer under the Phase One Horton Contract. Horton will acquire the homebuilding development rights for such residential units within Assessment Area One. Lots will be purchased in several takedowns, with the first takedown of at least 70 townhome lots and 59 single-family lots expected to occur after the conditions to closing have been satisfied no later than November 30, 2024 for the townhome lots and April 30, 2025 for the single-family lots. Each subsequent takedown will occur approximately nine months after the prior takedown until all lots have been taken down. Horton’s obligation to close on all lots under the Phase One Horton Contract is conditioned, among other things, upon the completion of the development of such lots. In the event the Developer is not able to satisfy the conditions in the Phase One Horton Contract, there is a risk that Horton will not close on lots within Assessment Area One.

The Developer has entered into a Lot Purchase Agreement dated November 1, 2021, as amended (the “Phase Two Horton Contract” and, together with the Phase One Horton Contract, the “Horton Contracts”), with Horton. The Phase Two Horton Contract provides for the sale of 110 developed single-family lots within Assessment Area One for a purchase price of approximately \$91,000 per single-family lot, for an aggregate purchase price of approximately \$10.01 million. In connection therewith, Horton made an earnest money deposit of \$990,000, of which \$330,000 has been released to the Developer and the remaining \$660,000 to be released once the lots are permitted. Such earnest money deposit is secured by a mortgage on such lots to be acquired. The deposit will be applied to the purchase price at each takedown on a pro rata per lot basis and shall be refundable only upon a default by the Developer under the Phase Two Horton Contract. Horton will acquire the homebuilding development rights for such residential units within Assessment Area One. Lots will be purchased in two takedowns, with the first takedown of at least 55 single-family lots expected to occur after the conditions to closing have been satisfied no later than October 31, 2026. The second takedown of the remaining lots will occur approximately six months after the first takedown. Horton’s obligation to close on all lots under the Phase Two Horton Contract is conditioned, among other things, upon the completion of the development of such lots. In the event the Developer is not able to satisfy the conditions in the Phase Two Horton Contract, there is a risk that Horton will not close on lots within Assessment Area One.

Horton has been the largest homebuilder by volume in the United States since 2002. Founded in 1978 in Fort Worth, Texas, Horton has operations in one hundred nine (109) markets in thirty-three (33) states across the United States. Horton is engaged in the construction and sale of high-quality homes through its diverse brand portfolio that includes Horton, Express Homes, Freedom Homes, and Emerald Homes with sales prices ranging from \$200,000 to over \$1,000,000. Horton also provides mortgage financing, title services and insurance agency services for homebuyers through its mortgage, title and insurance subsidiaries. Horton is a publicly-traded company the common stock of which trades on the New York Stock Exchange under the symbol “DHI”. Horton 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, including financial statements, with the Securities and Exchange Commission (the “SEC”). Such filings, particularly Horton’s annual and quarterly reports filed on Form 10-K and Form 10-Q, set forth certain data relative to the consolidated results of operations and financial position of Horton and their subsidiaries as of such date. The SEC maintains an Internet web site that contains reports, proxy and information statements and other information regarding registrants that file electronically with the SEC, including Horton. The address of such Internet web site is [www.sec.gov](http://www.sec.gov). All documents subsequently filed by Horton pursuant to the requirements of the Exchange Act after the date of this Limited Offering Memorandum will be available for inspection in such manner as the SEC prescribes.

*Richmond American.* The Developer has entered into a Purchase and Sale Agreement (Liberty Cove) dated November 24, 2021 (the “Richmond Contract”), with Richmond American Homes of Florida, LP, a Colorado limited partnership (“Richmond American”). The Richmond Contract provides for the sale of 114 developed single-family lots within Assessment Area One for a purchase price of approximately \$129,697 per single-family lot, for an aggregate purchase price of approximately \$14.79 million. In connection therewith, Richmond American made an earnest money deposit of \$1,330,695, which has been released to the Developer and will be applied to the purchase price at each takedown on a pro rata per lot basis. Such earnest money deposit is secured by a mortgage on such lots to be acquired. The deposit shall be refundable only upon a default by the Developer under the Richmond Contract. Richmond American will acquire the homebuilding development rights for such residential units within Assessment Area One. Lots will be purchased in one bulk takedown expected to occur after the conditions to closing have been satisfied, but no later than December 31, 2023 (the “Outside Closing Date”). Since the Outside Closing Date has lapsed without the conditions to close being satisfied, Richmond American has the option waive the closing date or terminate the Richmond Contract and have the deposit returned. Richmond American’s obligation to close on all lots under the Richmond Contract is conditioned, among other things, upon the completion of the development of such lots. In the event the Developer is not able to satisfy the conditions in the Richmond Contract, there is a risk that Richmond American will not close on lots within Assessment Area One.

Richmond American is a subsidiary of M.D.C. Holdings, Inc. (“MDC Holdings”). MDC Holdings has been operating since 1972 and is ranked among the top 10 homebuilders in the United States. MDC Holdings has built more than 240,000 homes across the United States. In April 2024, MDC Holdings was acquired by Sekisui House, Ltd. (“Sekisui House”). Sekisui House was founded in Japan in 1960 and is one of the world’s largest homebuilders and developers.

*New Atlantic Builders.* The Developer has entered into an Agreement for the Purchase and Sale of Real Property dated November 29, 2021 (the “New Atlantic Contract”), with New Atlantic Builders, Inc., a Florida corporation (“New Atlantic Builders”). The New Atlantic Contract provides for the sale of 54 developed single-family lots within Assessment Area One for a purchase price of approximately \$96,740 per single-family lot, for an aggregate purchase price of approximately \$5.2 million. In connection therewith, New Atlantic Builders made an earnest money deposit of \$522,400, which has been released to the Developer and will be applied to the purchase price at the closing. Such earnest money deposit is secured by a mortgage on such lots to be acquired. The deposit shall be refundable only upon a default by the



Developer under the New Atlantic Contract. New Atlantic Builders will acquire the homebuilding development rights for such residential units within Assessment Area One. Lots will be purchased in one bulk takedown within two (2) weeks of the Developer providing to New Atlantic Builders a final acceptance letter from JEA and a final approval letter from Nassau County Engineering Services. New Atlantic Builder’s obligation to close on all lots under the New Atlantic Contract is conditioned, among other things, upon the completion of the development of such lots. In the event the Developer is not able to satisfy the conditions in the New Atlantic Contract, there is a risk that New Atlantic Builders will not close on lots within Assessment Area One.

New Atlantic has been in business in Jacksonville since the 1980s and is led by three principals who have an aggregate of 100+ years of experience in homebuilding.

**Residential Product Offerings**

The target customers for residential units within the Development are first-time homebuyers and move-up homebuyers. The following table reflects the Developer’s current expectations for the residential units to be constructed within Assessment Area One, along with the number of bedrooms, bathrooms, square footages, estimated home prices, all of which are subject to change.

<u>Product Type</u>	<u>Square Footage</u>	<u>Beds/Baths</u>	<u>Price Range</u>
Townhomes	1,200 to 1,700	2 to 3 Bedrooms, 2 to 2.5 Baths	\$275,000 to \$325,000
Single-Family	1,600 to 3,600	3 to 5 Bedrooms, 2 to 4 Baths	\$325,000 to \$790,000

**Development Approvals**

The land within the Development, including, without limitation, the land therein subject to the Series 2024 Assessments, is zoned to allow for the contemplated residential uses described herein. All permits have been received by jurisdictional agencies to allow for the development contemplated herein or are reasonably expected to be received in the ordinary course.

The Developer has entered into impact and mobility fee credits agreements with Nassau County and the Nassau County School Board which are expected to entitle the Developer to have mobility and impact fee credits available to be sold in connection with the sale of each residential lot in the District and also sold to builders in other developments in the County. The sale of such credits in Assessment Area One is expected to generate in excess of \$6 million in additional cash revenue to the Developer.

**Environmental**

Two Phase I Environmental Site Assessments were prepared by Universal Engineering Sciences, Inc., dated November 18, 2019 and January 22, 2020, respectively (collectively, the “ESA”), covering the land in the Development. The ESA revealed no recognized environmental conditions in connection with the Development. See “BONDOWNERS’ RISK - No. 11” herein for more information regarding potential environmental risks.

**Amenities**

The Development is planned to contain an amenity center that will include a cabana, a resort style swimming pool, a playground, a recreational field, and a dog park (collectively, the “Amenity”). Construction of the Amenity is expected to commence in the fourth calendar quarter of 2024 and is expected to be completed by June 2025. The estimated cost to complete the Amenity is approximately \$2.5 million.

In addition to the Amenity, the Developer will be constructing extensive public amenities to be dedicated to the County including, but, not limited to, a linear park along one side of the main boulevard of the Development. The linear park will include a multi-use trail and various features along the trail for active and passive recreation.

**Utilities**

Potable water, irrigation, wastewater treatment and reclaimed wastewater (reuse services) for the Development are expected to be provided by JEA. Electric power is expected to be provided by Florida Power & Light Company. Cable television and broadband cable services are expected to be provided by AT&T, Xfinity and Blue Stream Fiber. 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 be initially levied on the 224.6+/- gross acres of land within Assessment Area One planned for 604 lots. As such lots are platted, the Series 2024 Assessments will be assigned to lots on a first platted, first assigned basis on a per unit basis as set forth below and in the Assessment Methodology attached hereto. See “THE DEVELOPMENT – Development Plan/Status” and “APPENDIX E – ASSESSMENT METHODOLOGY” herein.

Product Type	Number of Units	Estimated Annual Series 2024 Assessments Per Unit*/**	Estimated Series 2024 Bonds Par Debt Per Unit*
Townhome	210	\$ 887.10	\$11,357.72
Single-Family	394	1,774.19	22,715.43
<b>Total</b>	<b>604</b>		

\* Preliminary, subject to change.

\*\* This amount is grossed up to include early payment discounts and County collection fees of 7%.

The District anticipates levying assessments to cover its operation and maintenance costs that are initially expected to be approximately \$950 per residential unit annually; which amount is subject to change. In addition, residents within the Development will be required to pay homeowners association fees currently estimated to be \$90 per residential unit annually. The land within the District has been and is expected to be subject to taxes and assessments imposed by taxing authorities other than the District. The total millage rate imposed on taxable properties in the District for 2023 was approximately 15.9608 mills, which millage rate is subject to change in future tax years. These taxes would be payable in addition to the Series 2024 Assessments and any other assessments levied by the District. In addition, exclusive of voter approved millages levied for general obligation bonds, as to which no limit applies, the County and the School District of Nassau County, Florida may each levy ad valorem taxes and/or special assessments upon the land in the District. The District has no control over the level of ad valorem taxes and/or special assessments levied by other taxing authorities. It is possible that in future years taxes levied by these other entities could be substantially higher than in the current year.

**Education**

Students in elementary school are expected to attend Wildlight Elementary which is located 2.9 miles from the Development and was rated “A” by the Florida Department of Education for 2023. Students in middle school are expected to attend Yulee Middle School, which is located 3.9 miles from the Development and was rated “A” by the Florida Department of Education for 2023. Students in high school are expected to attend Yulee High School, which is located 4.1 miles from the Development and was rated

“B” by the Florida Department of Education for 2023. There are also several private and charter school alternatives in the vicinity of the Development.

### **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: Wildlight and Tributary.

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

### **THE DEVELOPER**

Liberty Cove Nassau, LLC, a Florida limited liability company (the “Developer”), is the landowner and developer for the Development. The Developer is installing master and parcel infrastructure improvements associated with the Development and will sell developed lots to homebuilders who will construct and market homes for sale to homebuyers. The Developer is twenty-five percent (25%) owned and managed by Matovina & Company, a Florida corporation (“Matovina”). Gregory E. Matovina is the president of Matovina. The remaining members of the Developer are composed of approximately thirteen distinct investors.

Gregory E. Matovina founded Matovina, a residential land development firm, in 1991. Over the last thirty four years, Matovina has been involved in the development of over 25,000 home sites with a primary focus on developing small lot developments targeting first time and first move up home buyers.

Prior to forming Matovina, Mr. Matovina was an accountant with Arthur Young & Company, working primarily in the audit and tax departments. During his employment with Arthur Young, he was exposed to the home building/development industry through a relationship with Summerhomes, one of the top five builders in Northeast Florida at that time. In 1986, Mr. Matovina joined Summerhomes as Vice President of Finance and advanced to Executive Vice President, in charge of all building activities, including finance, accounting, permitting, purchasing and estimating, construction and land development.

Mr. Matovina has been active in the Northeast Florida Builders Association, serving as a member of the Board of Directors for over twenty years. In 2002, he was the Secretary/Treasurer, in 2003, he served as the First Vice President/President Elect and in 2004 held the position of President. He received the 2000 Leadership Award for his service to the industry as Chairman of the Codes and Standards Committee, was named Builder/Developer of the year in 2005 and in 2006, was the first recipient of the Arnold Tritt Achievement Award. Mr. Matovina also has served in a leadership position with the Florida Home Builders Association having served as Secretary in 2016, First Vice President and Treasurer in 2017 and President in 2018.

Mr. Matovina’s efforts to create homeownership opportunities for people of all economic status has led to his appointment to the Board of Directors of Habijax, Jacksonville’s Habitat for Humanity affiliate. Mr. Matovina has served on the Habijax Board for twenty years, five (5) of those as Chairman. He also dedicates his time and leadership to the Board of Builders Care, the Northeast Florida Builder’s Association’s non-profit organization whose mission is to eradicate substandard housing in Northeast Florida (19 years), the Northeast Florida Builders Association Charitable Foundation which funds housing related charities (19 years as Chairman) and Ability Housing, Inc. (15+ years, with 7 as Chairman) which

provides affordable rental housing for the developmentally disabled, homeless and other low income populations.

A native of Hammond, Indiana, Mr. Matovina received his bachelor’s degree in Accounting from the University of Miami where he graduated magna cum laude. He is a certified public accountant and licensed real estate broker.

NEITHER DEVELOPER NOR ANY OTHER ENTITY OR INDIVIDUAL LISTED HEREIN IS GUARANTEEING THE PAYMENT OF THE SERIES 2024 BONDS OR THE SERIES 2024 ASSESSMENTS. NONE OF THE ENTITIES LISTED HEREIN, OTHER THAN THE DEVELOPER, HAVE ENTERED INTO ANY AGREEMENTS IN CONNECTION WITH THE ISSUANCE OF THE SERIES 2024 BONDS.

## ASSESSMENT METHODOLOGY

### General

The Master Special Assessment Methodology Report dated July 20, 2021, as may be further supplemented from time to time (the “Master Methodology”), and as supplemented by the First Supplemental Special Assessment Methodology Report to be dated the sale date of the Series 2024 Bonds (the “Supplemental Methodology” and, together with the Master Methodology, “Assessment Methodology”) describes the methodology for allocation of the Series 2024 Assessments to the assessable lands within the District benefiting from the Assessment Area One Project, and has been prepared by Wrathell, Hunt & Associates, LLC (the “Methodology Consultant”). See “EXPERTS” herein for more information. The Assessment Methodology is included herein as APPENDIX E. Once the final terms of the Series 2024 Bonds are determined, the Supplemental Methodology will be amended 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 and other non-federal units of government. See “ENFORCEMENT OF ASSESSMENT COLLECTIONS” herein.

### Projected Level of District Assessments

The Series 2024 Bonds will be secured by the Series 2024 Assessments which will be initially levied on the 224.6+/- gross acres of land within Assessment Area One planned for 604 lots. As such lots are platted, the Series 2024 Assessments will be assigned to lots on a first platted, first assigned basis on a per unit basis as set forth below and in the Assessment Methodology attached hereto. See “THE DEVELOPMENT – Development Plan/Status” and “APPENDIX E – ASSESSMENT METHODOLOGY” herein.

Product Type	Number of Units	Estimated Annual Series 2024 Assessments Per Unit**	Estimated Series 2024 Bonds Par Debt Per Unit*
Townhome	210	\$ 887.10	\$11,357.72
Single-Family	<u>394</u>	1,774.19	22,715.43
<b>Total</b>	<b>604</b>		

\* Preliminary, subject to change.

\*\* This amount is grossed up to include early payment discounts and County collection fees of 7%.

The District anticipates levying assessments to cover its operation and maintenance costs that are initially expected to be approximately \$950 per residential unit annually; which amount is subject to change. In addition, residents within the Development will be required to pay homeowners association fees currently estimated to be \$90 per residential unit annually. The land within the District has been and is expected to be subject to taxes and assessments imposed by taxing authorities other than the District. The total millage rate imposed on taxable properties in the District for 2023 was approximately 15.9608 mills, which millage rate is subject to change in future tax years. These taxes would be payable in addition to the Series 2024 Assessments and any other assessments levied by the District. In addition, exclusive of voter approved millages levied for general obligation bonds, as to which no limit applies, the County and the School District of Nassau County, Florida may each levy ad valorem taxes and/or special assessments upon the land in the District. The District has no control over the level of ad valorem taxes and/or special assessments levied by other taxing authorities. It is possible that in future years taxes levied by these other entities could be substantially higher than in the current year.

### **True-Up Mechanism**

To ensure that each residential lot in the District is assessed no more than its pro-rata amount of special assessments, the Assessment Methodology sets forth a “true-up mechanism” whereby, generally stated, a “true-up” payment will be owed in the event that debt levels remaining on unplatted lands in the District increase above the maximum debt levels set forth in the Assessment Methodology. The Developer is expected to enter into a true-up agreement in connection with its obligations to pay any requisite true-up payments. See “APPENDIX E – ASSESSMENT METHODOLOGY” herein for additional information regarding the “true-up mechanism”.

### **TAX MATTERS**

The Internal Revenue Code of 1986, as amended (the “Code”), includes requirements which the District must continue to meet 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. The failure by the District to meet these requirements may cause interest on the Series 2024 Bonds to be included in gross income for federal income tax purposes retroactively to their date of issuance. The District has covenanted to comply with the requirements of the Code in order to maintain the excludability of interest on the Series 2024 Bonds from gross income for federal income tax purposes.

In the opinion of Akerman LLP, Bond Counsel, the proposed form of which is included as Appendix C hereto, under existing statutes, regulations, published rulings and court decisions and assuming continuing compliance with certain covenants and the accuracy of certain representations of the District, under existing statutes, regulations, published rulings, and judicial decisions, (i) interest on the Series 2024 Bonds is excludable from gross income for federal income tax purposes under Section 103 of the Code, (ii) interest on the Series 2024 Bonds will not be 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” (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, and (iii) the Series 2024 Bonds and the interest thereon will not be subject to taxation under the laws of the State, except estate taxes and taxes under Chapter 220, Florida Statutes, as amended.

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 opinion is not a guarantee of a particular result, and is not binding on the IRS or the courts; rather, such opinions 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 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 May 1, 20\_\_ (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.

### **AGREEMENT BY THE STATE**

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

### **LEGALITY FOR INVESTMENT**

The Act provides that the Series 2024 Bonds are legal investments for savings banks, banks, trust companies, insurance companies, executors, administrators, trustees, guardians, and other fiduciaries, and for any board, body, agency, instrumentality, county, municipality or other political subdivision of the State, and constitute securities that 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 of the Florida Department of Financial Services promulgated thereunder. The limitation of the initial offering to “Accredited Investors” does not denote restrictions of transfer 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.

The Series 2024 Bonds will be issued in fully registered form, without coupons, in authorized denominations of \$5,000 and any integral multiple thereof, provided, however, if any initial beneficial owner of Series 2024 Bonds does not purchase at least \$100,000 of the Series 2024 Bonds at the time of initial delivery of the Series 2024 Bonds, such beneficial owner must execute and deliver to the District and the Underwriter on the date of delivery of the Series 2024 Bonds the investor letter in the form attached to the Indenture or otherwise establish to the satisfaction of the Underwriter that such beneficial owner is an “accredited investor,” as described in Rule 501(a) under Regulation D of the Securities Act of 1933, as amended.

### **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.

### **FINANCIAL STATEMENTS**

The District will covenant in the Disclosure Agreement (as defined below), the form of which is set forth in APPENDIX D hereto to provide its annual audit to the Municipal Securities Rulemaking Board’s (“MSRB”) Electronic Municipal Markets Access repository (“EMMA”) as described in APPENDIX D, commencing with the audit for the District fiscal year ending September 30, 2024. Since its creation, the expenses of the District have been funded entirely by voluntary contributions from the Developer. Attached hereto as APPENDIX F are copies of the District’s most recent unaudited financial statements for the fiscal year ended September 30, 2023.

Each community development district in Florida must have a separate website with certain information as set forth in Section 189.069, Florida Statutes, as amended. Under such statute, each district must post its proposed budget, final budget, most recent final audit report and a link to the Department of Financial Services’ website on the district website. The District currently has a website in place and is presently in compliance with the statutory guidelines required by Section 189.069, Florida Statutes, as amended.

### **LITIGATION**

#### **The District**

There is no litigation against the District of any nature now pending or, to the knowledge of the District threatened against the District, seeking to restrain or enjoin the issuance, sale, execution or delivery of the Series 2024 Bonds, or in any way contesting or affecting (i) the validity of the Series 2024 Bonds or any proceedings of the District taken with respect to the issuance or sale thereof, (ii) the pledge or



application of any moneys or security provided for the payment of the Series 2024 Bonds, (iii) the existence or powers of the District or (iv) the validity of the Assessment Proceedings.

### **The Developer**

The Developer will represent to the District 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 as described herein, materially and adversely affect the ability of the Developer to pay the Series 2024 Assessments imposed against the land within the District owned by the Developer or materially and adversely affect the ability of the Developer to perform its various obligations described in this Limited Offering Memorandum.

### **NO RATING**

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

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

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

### **CONTINUING DISCLOSURE**

The District and the Developer will enter into a Continuing Disclosure Agreement (the “Disclosure Agreement”), the proposed form of which is set forth in 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”) through EMMA. In addition, certain listed events must be disclosed through EMMA within a prescribed time period. 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), as applicable, to bring an action for specific performance.

The District has not previously entered into a continuing disclosure agreement pursuant to the Rule 15c2-12 of the Securities Exchange Act of 1934, as amended (the “Rule”). The District has appointed the District Manager to serve as the Dissemination Agent for the Series 2024 Bonds.

Also, pursuant to the Disclosure Agreement, the Developer will covenant to provide certain financial information and operating data relating to the Development and the Developer on a quarterly basis. The Developer has not previously entered into a continuing disclosure agreement pursuant to the Rule. See “APPENDIX D – PROPOSED FORM OF CONTINUING DISCLOSURE AGREEMENT.”

### **UNDERWRITING**

FMSbonds, Inc. (the “Underwriter”) has agreed 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 \$\_\_\_\_\_, less an Underwriter’s discount of \$\_\_\_\_\_). The Underwriter’s obligations are subject to certain conditions precedent and if obligated to purchase any of the Series 2024 Bonds the Underwriter will be obligated to purchase all of the Series 2024 Bonds. The Series 2024 Bonds may be offered and sold by the Underwriter at prices lower than the initial offering prices stated on the inside cover hereof, and such initial offering prices may be changed from time to time by the Underwriter.

### **EXPERTS**

Connelly & Wicker, Inc., as District Engineer, has prepared the Engineer’s Report included herein as Appendix A, which report should be read in its entirety for complete information with respect to the subjects discussed therein. Wrathell, Hunt & Associates, LLC, as the District Manager, has prepared the Assessment Methodology included herein as Appendix E, which report should be read in its entirety for complete information with respect to the subjects discussed therein. As a condition to closing on the Series 2024 Bonds, both the District Engineer and the Methodology Consultant will consent to the inclusion of their reports in this Limited Offering Memorandum.

### **CONTINGENT FEES**

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

### **VALIDATION**

The Series 2024 Bonds have been validated and confirmed by a final judgment of the Fourth Judicial Circuit Court in and for Nassau County, Florida dated October 20, 2021. The period of time during which an appeal of such judgment can be taken expired on November 19, 2021, with no appeals being taken.

### **FORWARD-LOOKING STATEMENTS**

Certain statements included or incorporated by reference in this Limited Offering Memorandum constitute “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the Securities Act. Such statements are generally identifiable by the terminology used such as “plan,” “expect,” “estimate,” “project,” “anticipate,” “budget” or other similar words.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE DISTRICT DOES 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.

### **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 Underwriter by its counsel Squire Patton Boggs (US) LLP, Miami, Florida. Certain legal matters will be passed upon for the District by its counsel, Kutak Rock LLP, Tallahassee, Florida, and for the Developer by its counsel, Sheffield & Boatright, P.A., Jacksonville, 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.

### **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 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.

**AUTHORIZATION AND APPROVAL**

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

**LIBERTY COVE COMMUNITY DEVELOPMENT DISTRICT**

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

**APPENDIX A**  
**ENGINEER'S REPORT**

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# Liberty Cove

## COMMUNITY DEVELOPMENT DISTRICT IMPROVEMENT PLAN

Prepared for:

BOARD OF SUPERVISORS  
LIBERTY COVE CDD

September 23, 2021



13901 Sutton Park Drive South, Suite 200  
Jacksonville, Florida 32224  
Ph (904) 739-3655 - Fax (904) 739-3413  
Cert. Of Auth. 00004050

# TABLE OF CONTENTS

	<u>Page</u>
Table Of Contents .....	ii
List Of Exhibits.....	iii
<b><u>Section</u></b>	<b><u>Title</u></b>
<b>1.0</b>	<b>Introduction..... 4</b>
<b>2.0</b>	<b>Project Description</b>
2.1	General .....4
2.2	The District.....4
<b>3.0</b>	<b>Proposed Improvements</b>
3.1	General .....5
3.2	Improvements .....5
3.2.1	Infrastructure Improvement Plan .....5
3.2.2	Improvement Costs .....9
3.2.3	Ownership and Maintenance.....9
3.3	Permit Status..... 10
3.3.1	Federal Permits..... 10
3.3.2	State Permits ..... 10
3.3.3	County Permits ..... 10
3.3.4	Utility Permits ..... 10
3.4	Construction Status ..... 11
3.5	Jurisdiction of Federal, State, and Local Governments..... 11
<b>4.0</b>	<b>Engineer's Certification ..... 11</b>



## LIST OF EXHIBITS

<u>Exhibit No.</u>	<u>Title</u>
1	Location Map
2	District Boundary
3	Legal Description
4	Future Land Use Map
5	Zoning Transects
6	Existing Water Main Infrastructure
7	Existing Reclaim Water Main Infrastructure
8	Existing Sanitary Sewer Infrastructure
9	Existing Drainage

## 1.0 INTRODUCTION

The Liberty Cove Community Development District ("CDD" or the "District") is located within the William Burgess Overlay District, adopted by the Nassau County Board of County Commissioners ("BCC") as Ordinance Resolution 2019-19 and 2019-20. The District is bounded by William Burgess Boulevard to the North, east of I-95, west of US-17 and north of the Nassau River. A general location map is shown as Exhibit 1. The District currently contains approximately 311.83 acres of land located within parts of Sections 8, 17, 45, Township 2 South, Range 27 East, all in Nassau County, Florida. The proposed uses for the Liberty Cove project are expected to consist of residential units, recreation/amenity, parks, and associated infrastructure.

The District was established under County Ordinance No.2021-10 which was adopted by the Nassau County Board of County Commission on June 28, 2021.

## 2.0 PROJECT DESCRIPTION

### 2.1 GENERAL

The development will consist of residential parcels with approximately 750 units and associated infrastructure ("Development"). The Development is a conventional planned residential community located south of William Burgess Boulevard and is anticipated to be developed in phases over multiple years. The current phasing plan includes Phase One (322 residential units), Phase Two (270 residential units) and Phase Three (158 residential units).

	<b>Land Use</b>	<b>Acres</b>	<b>Residential Units</b>
1.	Residential	+/- 96.0	750
2.	Wetlands	+/- 87.0	-
3.	Stormwater Ponds	+/- 22.0	-
4.	Amenity Center/Recreation	+/- 2.1	-
5.	Tracts/Open Space	+/- 104.73	-
	<b>TOTAL</b>	<b>311.83</b>	<b>750</b>

### 2.2 THE DISTRICT

The CDD will be a conventional neighborhood development and is anticipated to consist of 204 Townhomes units and 546 single family units within five residential parcels that include community recreational elements. The Improvement Plan contained in this report

reflects the present intentions of the District. However, the Improvement Plan may be subject to modification in the future. The Liberty Cove CDD boundary and legal description of lands currently within the District (the “District Lands”) are provided as Exhibit 2 and 3, respectively.

<b>Parcel ID</b>	<b>Land Use</b>	<b>Units</b>	<b>GSF</b>
D	Residential (Townhomes)	204	-
E1	Residential (Single Family)	118	-
E3	Recreation	-	-
E4	Amenity/Recreation	-	3,000
F	Residential (Single Family)	158	-
H	Residential (Single Family)	270	-
<b>Total</b>		<b>750</b>	<b>3,000</b>

### **3.0 PROPOSED IMPROVEMENTS**

#### **3.1 GENERAL**

The District was created for the purpose of providing an efficient mechanism for financing and managing the public infrastructure associated with the planning, acquisition, construction, maintenance, and operation of the District Improvement Plan. Infrastructure improvements include certain utilities, drainage, and transportation improvements, as well as funding for planning, development, and engineering studies.

#### **3.2 IMPROVEMENTS**

The District Improvement Plan includes construction of basic public infrastructure within each development parcel, including but not limited to clearing, earthwork, water, re-use and sewer utilities, roadways, storm sewer, grassing, and sodding. Infrastructure will also include stormwater management ponds, outfalls, and land to construct the treatment ponds to serve the District in accordance with the permitting agencies. Improvements do not include improvements to residential lots.

##### **3.2.1 Infrastructure Improvement Plan**

Infrastructure cost opinions are based upon preliminary opinions of probable construction costs estimated from the most recent development plan map dated June 28, 2021 and

includes a 20% contingency. The infrastructure consists of the following categories as further described herein.

<b>Improvement Category</b>	<b>Improvement Cost Opinion</b>
Stormwater Management Facilities	\$7,400,000
Utilities (Water, Sanitary Sewer, Re-Use Mains and Lift Stations)	\$4,000,000
Roadway (storm sewer collection and street lighting)	\$4,800,000
Amenity, Entrances, Hardscape & Landscaping Features	\$2,500,000
Environmental Compliance and Mitigation	\$700,000
Design, Engineering, Surveying, and Permitting	\$600,000
<b>Approximate Total</b>	<b>\$20,000,000</b>

Infrastructure Improvement Plan includes the following:

**Stormwater Management Facilities**

The proposed stormwater system will be constructed as part of the Improvement Plan and will consists of stormwater ponds to capture and treat stormwater runoff from developed areas and control structures that regulate the volume of water detained and detention periods. The storm sewer conveyance system will remove surface drainage from the roadways via curb and gutter, swales/ditches, storm inlets and culvert pipes that will collect and convey surface drainage to proposed stormwater detention ponds. The stormwater system will include clearing and earthwork for rights-of-way, ponds, and conveyance system, outfall structures and piping.

These improvements will all be constructed consistent with the specifications of Nassau County and the St Johns River Water Management District. Because they are integrally linked to the required drainage system and will be made part of the system through the permitting process, the stormwater ponds will remain under the sole control and ownership of the District. No costs for earthwork, clearing, fill placement or removal with respect to residential lots has been considered.

The stormwater management plans will assure that adequate stormwater management facilities are available to provide Stormwater management capacity for the final

development and to meet the regulatory requirements, as listed below:

- St Johns River Water Management District (SJRWMD)
- Nassau County
- Florida Department of Environmental Protection (FDEP)
- U.S. Army Corps of Engineers (USACE)
- Federal Emergency Management Agency (FEMA)
- U.S. Environmental Protection Agency (EPA)

For each phase, the final design of the proposed stormwater drainage system for the District will be reviewed and approved by SJRWMD and Nassau County prior to construction. The drainage system will maintain existing drainage patterns to the greatest extent possible.

### **Potable Water Distribution Systems**

A potable water distribution main will be extended by the master developer to the respective residential parcels to connect the residences to a public water system. The District will construct a potable water system that includes the necessary mains, valving, fire hydrants and appurtenances installed within the proposed rights-of-way to serve each residential parcel. The potable water distribution system will provide both domestic and fire protection services for the District. These improvements will be designed and constructed to JEA and/or FDEP standards and will be owned and maintained by the JEA upon completion of construction and conveyance by the District.

### **Re-Use Irrigation Water Distribution Systems**

A re-use irrigation water main will be extended by the master developer to the respective residential parcels to connect the residences to a public re-use water system. A re-use irrigation water system consisting of a network of piping, valving and services will be constructed by the District to serve the residences within the residential parcels. These improvements will be designed and constructed to JEA standards and will be owned and maintained by the District upon completion of construction.

### **Sanitary Sewer Collection/Transmission Systems.**

A sanitary force main will be extended by the master developer to the respective residential parcels to connect the residences to a public sanitary sewer system. A sanitary sewer collection/transmission system, consisting of a network of gravity sewer mains, manholes, lift stations, force mains and services, will be constructed by the District to serve the residences within the residential parcels. The sanitary sewer systems will be designed and constructed to JEA and/or FDEP standards and will be owned and maintained by JEA upon completion of construction and conveyance by the District.

## **Roadways**

The roadway improvements will consist of typical roadway sections consisting of asphalt pavement, curb and gutter, road base, stabilized subgrade, sidewalks and/or multi-use paths consistent with the William Burgess Overlay District. Roadway improvements will be designed and constructed to Nassau County standards and will include signing and pavement markings within the rights-of-way, as well as street signs depicting street name identification, which will be utilized by residents and emergency responders. Roadways constructed by the District will be owned and maintained by the District and not conveyed to or maintained by the County.

## **Electric & Street Lighting**

Infrastructure Improvements will include a network of underground electric conduits, junction boxes, manholes and services to serve the District. The electrical power utility provider is responsible for the installation of electrical cable, switches, and transformers. Street lighting will be an integral part of the roadway system. FPL requires that all electric utilities be placed underground for new developments. These improvements will be designed and constructed to FPL standards and will be owned and maintained by FPL upon completion of construction and conveyance by the District.

## **Amenity, Entrance, Hardscape, and Landscape Features**

The District will construct entrance features, signage and landscape at the parcel entrances to provide a “first impression” of each parcel and will be constructed and maintained by the District. Included in the recreation features will be the Amenity Center which consists of a covered pavilion, pool, playground, and an open play field within the development.

## **Environmental Compliance and Mitigation**

The District will be obtaining offsite wetland credits in an agency approved mitigation bank, wetlands preservation lands, and maintaining or enhancing wetlands to meet and to ensure continued compliance with the requirements of the environmental permits.

## **Design, Engineering, Surveying, and Permitting**

The District will pay permit fees, survey costs and engineering costs associated with the Infrastructure Improvements as part of the cost of performing such improvements. The District will also pay permit fees, survey, planning, and engineering costs associated with the respective Infrastructure Improvements as part of the cost of performing the improvements.

### 3.2.2 Improvement Costs

The infrastructure improvements may be divided into several construction/acquisition packages. Those packages may consist of varies infrastructure improvements described herein.

The exact location of some of the facilities may change during the course of approval and implementation. These changes will not diminish or alter the benefits to be received by the District Lands, and any changes will result in the District Lands receiving the same or greater benefits at no additional cost to the landowners. The District must retain the right to make reasonable adjustments in the plan to meet the requirements of governmental agencies while at the same time providing the same or greater benefits to the District Lands. The plan presented herein has been prepared based upon both previous and current regulatory criteria. Regulatory criteria will undoubtedly continue to evolve, and future changes may affect the implementation of this plan. If this occurs, future substantial changes should be addressed and included as an addendum to the plan. These costs are based upon unit costs for construction in Northeast Florida with a twenty percent (20%) contingency.

### 3.2.3 Ownership and Maintenance

<b>Improvement</b>	<b>Ownership</b>	<b>Maintenance</b>
Ponds and Stormwater Management Facilities	CDD	CDD
Potable Water and Sanitary Sewer Utilities	JEA	JEA
Electric Distribution Utilities	FPL	FPL
Re-Use and Irrigation Utilities	CDD	CDD
Roadways (residential parcels)	CDD	CDD
Amenity, Entrance, Hardscape, and Landscape Features	CDD	CDD
Environmental Compliance and Mitigation	CDD	CDD

### **3.3 PERMIT STATUS**

Permits will be acquired in the normal course of development approvals. Permits from the following agencies will be required for the proposed improvements.

- FDEP Water, Sewer and Re-Use Water permit
- Environmental Resource Permit from SJRWMD
- U.S. Army Corps of Engineers (USACE) dredge or fill permit
- Nassau County Subdivision Construction permit
- Federal Emergency Management Agency

#### **3.3.1 Federal Permits**

The U.S. Army Corps of Engineers (USACE) and/or FDPE dredge or fill permit(s) for jurisdictional wetlands may be required for the proposed improvements.

The Federal Emergency Management Agency Flood Insurance Rate Map (FEMA FIRM) Panel No. 12089C0351G, dated 8/2/17, demonstrates the proposed District improvements are located within Flood Zone "X" and Zone "A". Based on this information and site topography, an evaluation of the flood designation Zone "A" located within the District's boundary may be necessary for development. Based on the proximity to the Nassau River, site-specific drainage and other site characteristics compensatory storage will not be warrant By Nassau County.

#### **3.3.2 State Permits**

Surface Water Management and Environmental Resource permits are required to be issued by SJRWMD for the District's Improvement Plan. SJRWMD permits for wetlands impact are being evaluated and mitigation criteria are negotiated on the basis of the relative value of wildlife habitat, and other related factors. Generally, impacts are mitigated by some combination of protection, enhancement, on-site and off-site mitigation, and/or land bank donation. The Surface Water Management Plan has been submitted to SJRWMD for review.

#### **3.3.3 County Permits**

Nassau County is a governmental unit having all administrative operations, construction requirements, plan reviews, and staff as one integrated entity.

#### **3.3.4 Utility Permits**

Florida Department of Environmental Protection Permits are required for water, sewer, and re-use water collection/distribution mains for the District's Improvement Plan.



### **3.4 CONSTRUCTION STATUS**

No construction work has commenced. Construction documents are under design and permitting.

### **3.5 JURISDICTION OF FEDERAL, STATE, AND LOCAL GOVERNMENTS**

During the course of construction of the proposed improvements, federal, state, and local governmental entities and agencies, including, but not limited to the U.S. Corps of Engineers, the Florida Department of Environmental Protection, the St Johns River Water Management District, and Nassau County retain jurisdiction over future land use and permitting matters associated with the proposed improvements. Any changes, modifications, additions or amendments to the development plan or the proposed improvements that would require the approval of or a permit from the government entity or agency having jurisdiction require the developer or CDD, as appropriate, to obtain such subsequent approvals from said governmental entity or agency. The developer and the CDD continue to be under the jurisdiction of such federal, state, and local government entities or agencies, in the future, for permitting purposes and other required authorizations with respect to the CDD's infrastructure improvements.

### **4.0 ENGINEER'S CERTIFICATION**

The cost opinions provided herein are fair and reasonable and we have no reason to believe that the improvements described herein cannot be constructed and installed at such costs. The opinion of infrastructure construction costs is only an opinion and not a guarantee maximum price. The probable construction opinion costs were determined utilizing comparable historical costs within North Florida, applied to the conceptual land development plan with a twenty percent (20%) contingency added. The labor market, future costs of equipment and materials, increased regulatory actions and the actual construction process are all beyond control. Due to this inherent opportunity for fluctuation in cost, the total final cost may be more or less than this opinion.

We expect that all improvements to be constructed can be completed on schedule. Detailed design documents and permits necessary to complete the improvements will be acquired in the normal course of business. We, therefore, believe that the CDD will be well served by the infrastructure improvements discussed in this report.

The improvements, if designed and constructed to the standards described herein, will be sufficient to support the developer's development program as described within this Engineers Report.

Improvements described within this Engineers Report will provide a direct and special benefit to the lands within the boundary of the District.

I hereby certify that the foregoing is a true and correct copy of the Liberty Cove CDD Improvement Plan.

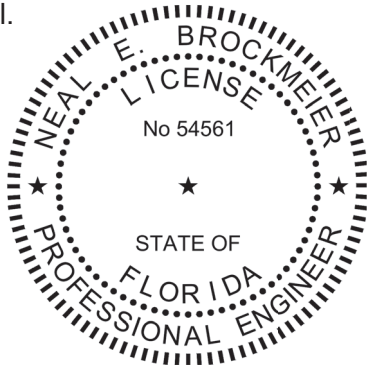
This item has been digitally signed and sealed by  
Neal Brockmeier  
on the date adjacent to the seal.

**PROSSER, INC.**

Neal E. Brockmeier, PE  
Florida License No. 54561  
Date: September 23, 2021



Digitally signed  
by Neal E  
Brockmeier  
Date:  
2021.09.23  
15:23:56-04'00'



Printed copies of this document are not considered signed and sealed and the signature must be verified on any electronic copies.



0 1/2mi



SR-200

WILLIAM BURGESS BOULEVARD

PROJECT LOCATION

I-95

US-17

NASSAU COUNTY  
DUVAL COUNTY

NASSAU RIVER

EXHIBIT 1  
LOCATION MAP  
LIBERTY COVE  
2021-04-01

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0 500 1000

WILLIAM BURGESS BOULEVARD

PARCEL C7  
(EXCLUDED)

PARCEL C8  
(EXCLUDED)

SCHOOL PARCEL  
(EXCLUDED)

SALLETTE PARCEL

DISTRICT BOUNDARY

COOK-COLEMAN  
PARCEL

EXHIBIT 2  
SKETCH AND LEGAL  
DESCRIPTION  
LIBERTY COVE  
2021-04-01

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A PARCEL OF LAND SITUATE IN SECTIONS 8, 17 AND THE JOHN UPTERGROVE GRANT, SECTION 45, TOWNSHIP 2 NORTH, RANGE 27 EAST, NASSAU COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGIN AT THE NORTHWEST CORNER OF SAID SECTION 8; THENCE SOUTH 00°41'02" EAST, ALONG THE WEST LINE OF SAID SECTION 8, A DISTANCE OF 2,557.97 FEET TO THE SOUTHWEST CORNER OF LANDS DESCRIBED IN OFFICIAL RECORDS BOOK 936, PAGE 890, OF THE PUBLIC RECORDS OF NASSAU COUNTY, FLORIDA AND THE POINT OF BEGINNING; THENCE CONTINUE SOUTH 00°41'02" EAST, ALONG THE WEST LINE OF SAID SECTION 8, A DISTANCE OF 1,394.36 FEET TO INTERSECT THE NORTHERLY LINE OF SAID JOHN UPTERGROVE GRANT, SECTION 45, TOWNSHIP 2 NORTH, RANGE 27 EAST, NASSAU COUNTY, FLORIDA; THENCE SOUTH 67°03'48" WEST, ALONG THE NORTHERLY LINE OF SAID JOHN UPTERGROVE GRANT, SECTION 45, A DISTANCE OF 610.15 FEET TO THE NORTHWESTERLY CORNER OF SAID JOHN UPTERGROVE GRANT, SECTION 45; THENCE SOUTH 22°56'32" EAST, ALONG THE WESTERLY LINE OF SAID JOHN UPTERGROVE GRANT, SECTION 45, A DISTANCE OF 1,492.92 FEET TO INTERSECT THE WESTERLY LINE OF SECTION 17, TOWNSHIP 2 NORTH, RANGE 27 EAST, NASSAU COUNTY, FLORIDA; THENCE SOUTH 01°00'34" EAST, ALONG THE WEST LINE OF SAID SECTION 17, A DISTANCE OF 2,150.23 FEET TO THE SOUTHWEST CORNER OF GOVERNMENT LOT 1, OF SAID SECTION 17; THENCE NORTH 87°40'15" EAST, ALONG THE SOUTH LINE OF SAID GOVERNMENT LOT 1, A DISTANCE OF 925.62 FEET TO INTERSECT THE WESTERLY LINE OF SAID JOHN UPTERGROVE GRANT, SECTION 45; THENCE SOUTH 23°54'32" EAST, ALONG THE WESTERLY LINE OF SAID JOHN UPTERGROVE GRANT, SECTION 45, A DISTANCE OF 641.23 FEET TO A 4"X4" CONCRETE MONUMENT "RAYONIER" LOCATED AT THE EDGE OF MARSH OF THE MARSHLANDS OF THE NASSAU RIVER AND A POINT HEREINAFTER REFERRED TO AS POINT "A"; THENCE RETURN TO THE POINT OF BEGINNING AND RUN ALONG THE PERIMETER OF SAID LANDS DESCRIBED IN OFFICIAL RECORDS BOOK 936, PAGE 890, THE FOLLOWING TWO COURSES: (1) NORTH 88°03'30" EAST A DISTANCE OF 893.66 FEET; (2) THENCE NORTH 00°32'55" WEST A DISTANCE OF 1,416.65 FEET TO INTERSECT THE SOUTHERLY RIGHT-OF-WAY LINE OF WILLIAM BURGESS ROAD (A 100 FOOT RIGHT-OF-WAY); THENCE ALONG SAID SOUTHERLY RIGHT-OF-WAY LINE THE FOLLOWING THREE COURSES: (1) THENCE SOUTH 63°08'56" EAST A DISTANCE OF 840.54 FEET TO THE BEGINNING OF A CURVE CONCAVE TO THE SOUTHWEST HAVING A RADIUS OF 925.00 FEET; (2) THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 05°35'59", AN ARC DISTANCE OF 90.40 FEET AND BEING SUBTENDED BY A CHORD BEARING SOUTH 60°20'57" EAST A DISTANCE OF 90.37 FEET; (3) THENCE SOUTH 57°32'57" EAST A DISTANCE OF 234.37 FEET TO THE NORTHERLY CORNER OF LANDS DESCRIBED IN OFFICIAL RECORDS BOOK 847, PAGE 1461, OF THE PUBLIC RECORDS OF NASSAU COUNTY, FLORIDA; THENCE SOUTH 30°09'27" WEST, ALONG THE NORTHWESTERLY LINE OF LAST REFERENCED LANDS, A DISTANCE OF 390.53 FEET TO THE NORTHWEST CORNER OF PARCEL "A" DESCRIBED IN OFFICIAL RECORDS BOOK 664, PAGES 915 THROUGH 924, OF THE PUBLIC RECORDS OF NASSAU COUNTY, FLORIDA; THENCE ALONG THE PERIMETER OF LANDS DESCRIBED AS EXHIBIT "A", PARCEL 3 IN OFFICIAL RECORDS BOOK 949, PAGES 1456 THROUGH 1458, OF THE PUBLIC RECORDS OF NASSAU COUNTY, FLORIDA, THE FOLLOWING NINE COURSES: (1) THENCE NORTH 89°43'32" WEST A DISTANCE OF 68.74 FEET; (2) THENCE SOUTH 01°24'49" EAST A DISTANCE OF 116.83 FEET TO THE BEGINNING OF A CURVE CONCAVE TO THE NORTHWEST HAVING A RADIUS OF 430.00 FEET; (3) THENCE SOUTHWESTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 35°17'49", AN ARC DISTANCE OF 264.90 FEET AND BEING SUBTENDED BY A CHORD BEARING SOUTH 16°14'06" WEST A DISTANCE OF 260.73 FEET; (4) THENCE SOUTH 33°53'00" WEST A DISTANCE OF 220.41 FEET TO THE BEGINNING OF A CURVE CONCAVE TO THE NORTHWEST HAVING A RADIUS OF 530.00 FEET; (5) THENCE SOUTHWESTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 15°04'54", AN ARC DISTANCE OF 139.51 FEET AND BEING SUBTENDED BY A CHORD BEARING SOUTH 41°25'27" WEST A DISTANCE OF 139.11 FEET; (6) THENCE SOUTH 48°57'54" WEST A DISTANCE OF 502.75 FEET TO THE BEGINNING OF A CURVE CONCAVE TO THE SOUTHEAST HAVING A RADIUS OF 470.00 FEET; (7) THENCE SOUTHWESTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 47°53'25", AN ARC DISTANCE OF 392.85 FEET AND BEING SUBTENDED BY A CHORD BEARING SOUTH 25°01'12" WEST A DISTANCE OF 381.51 FEET; (8) THENCE SOUTH 01°04'29" WEST A DISTANCE OF 331.34 FEET TO INTERSECT THE NORTHERLY LINE OF SAID JOHN UPTERGROVE GRANT, SECTION 45; (9) THENCE NORTH 67°21'52" EAST, ALONG THE NORTHERLY LINE OF SAID JOHN UPTERGROVE GRANT, SECTION 45, A DISTANCE OF 356.69 FEET TO THE NORTHWESTERLY CORNER OF LANDS DESCRIBED IN OFFICIAL RECORDS BOOK 689, PAGE 1025, OF THE PUBLIC RECORDS OF NASSAU COUNTY, FLORIDA; THENCE SOUTH 22°10'07" EAST, ALONG THE WESTERLY LINE OF LAST SAID LANDS, A DISTANCE OF 3,595.04 FEET TO A 4"X4" CONCRETE MONUMENT "RAYONIER"; THENCE CONTINUE SOUTH 22°10'07" EAST, ALONG SAID WESTERLY LINE, A DISTANCE OF 86 FEET MORE OR LESS TO THE MARSHLANDS OF THE NASSAU RIVER; THENCE SOUTHWESTERLY, SOUTHEASTERLY AND SOUTHWESTERLY, ALONG THE MARSHLANDS OF THE NASSAU RIVER, A DISTANCE OF 5,037 FEET MORE OR LESS TO ABOVE REFERENCED POINT "A" AND THE CLOSING POINT OF THIS DESCRIPTION.

CONTAINING 241.11 ACRES MORE OF LESS.

EXHIBIT 3  
LEGAL DESCRIPTION  
COOK-COLEMAN PARCEL  
LIBERTY COVE  
2021-04-01

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A PARCEL OF LAND SITUATE IN THE JOHN UPTERGROVE GRANT, SECTION 45, TOWNSHIP 2 NORTH, RANGE 27 EAST, NASSAU COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

FOR A POINT OF REFERENCE COMMENCE AT THE NORTHEASTERLY CORNER OF SAID SECTION 45; THENCE SOUTH 22°37'20" EAST, ALONG THE EASTERLY LINE OF SAID SECTION 45, A DISTANCE OF 816.37 FEET TO THE POINT OF BEGINNING; THENCE CONTINUE SOUTH 22°37'20" EAST, ALONG THE EASTERLY LINE OF SAID SECTION 45, A DISTANCE OF 1,838.69 FEET TO A 4"x4" CONCRETE MONUMENT LOCATED AT THE INTERSECTION OF THE SOUTH LINE OF SECTION 8, TOWNSHIP 2 NORTH, RANGE 27 EAST, NASSAU COUNTY, FLORIDA; THENCE CONTINUE SOUTH 22°37'20" EAST, ALONG THE EASTERLY LINE OF SAID SECTION 45, A DISTANCE OF 129 FEET MORE OR LESS TO INTERSECT THE DIVISION LINE BETWEEN THE HIGHLANDS AND THE MARSHLANDS OF THE NASSAU RIVER AND A POINT HEREINAFTER REFERRED TO AS POINT "A"; THENCE RETURN TO THE POINT OF BEGINNING AND RUN THE FOLLOWING SEVEN (7) COURSES ALONG THE SOUTHERLY LINE OF LANDS DESCRIBED IN OFFICIAL RECORDS BOOK 949, PAGE 1447, OF THE PUBLIC RECORDS OF NASSAU COUNTY, FLORIDA: (1) THENCE SOUTH 83°51'44" WEST A DISTANCE OF 171.85 FEET TO THE BEGINNING OF A CURVE CONCAVE TO THE NORTH HAVING A RADIUS OF 500.00 FEET; (2) THENCE WESTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 20°34'34", AN ARC DISTANCE OF 178.87 FEET AND BEING SUBTENDED BY A CHORD BEARING NORTH 85°53'22" WEST A DISTANCE OF 177.92 FEET; (3) THENCE NORTH 75°38'27" WEST A DISTANCE OF 157.00 FEET TO THE BEGINNING OF A CURVE CONCAVE TO THE NORTH HAVING A RADIUS OF 500.00 FEET; (4) THENCE WESTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 13°57'47", AN ARC DISTANCE OF 121.16 FEET AND BEING SUBTENDED BY A CHORD BEARING NORTH 68°41'57" WEST A DISTANCE OF 120.86 FEET TO A POINT OF REVERSE CURVATURE OF A CURVE CONCAVE TO THE SOUTH HAVING A RADIUS OF 100.00 FEET; (5) THENCE WESTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 49°09'24", AN ARC DISTANCE OF 85.66 FEET AND BEING SUBTENDED BY A CHORD BEARING NORTH 86°17'45" WEST A DISTANCE OF 83.06 FEET; (6) THENCE SOUTH 69°09'55" WEST A DISTANCE OF 191.92 FEET; (7) THENCE NORTH 77°59'14" WEST A DISTANCE OF 847.91 FEET TO INTERSECT THE NORTHERLY LINE OF SAID SECTION 45; THENCE SOUTH 65°52'49" WEST, ALONG THE NORTHERLY LINE OF SAID SECTION 45, A DISTANCE OF 171.73 FEET; THENCE SOUTH 22°08'37" EAST, ALONG THE EASTERLY LINE OF LANDS DESCRIBED IN OFFICIAL RECORDS BOOK 2022, PAGE 1466, OF THE PUBLIC RECORDS OF NASSAU COUNTY, FLORIDA, A DISTANCE OF 3,594.85 FEET TO A 4"x4" CONCRETE MONUMENT; THENCE CONTINUE SOUTH 22°08'37" WEST, ALONG THE EASTERLY LINE OF LANDS DESCRIBED IN OFFICIAL RECORDS BOOK 2022, PAGE 1466, OF THE PUBLIC RECORDS OF NASSAU COUNTY, FLORIDA, A DISTANCE OF 14 FEET MORE OR LESS TO INTERSECT THE DIVISION LINE BETWEEN THE HIGHLANDS AND THE MARSHLANDS OF THE NASSAU RIVER; THENCE SOUTHEASTERLY, EASTERLY, NORTHERLY AND NORTHEASTERLY, ALONG THE DIVISION LINE BETWEEN THE HIGHLANDS AND THE MARSHLANDS OF THE NASSAU RIVER, A DISTANCE OF 3,026 FEET MORE OR LESS TO ABOVE REFERENCE POINT "A" AND THE CLOSE OF THIS DESCRIPTION.

CONTAINING 114.86 ACRES MORE OR LESS.

EXHIBIT 3  
LEGAL DESCRIPTION  
SALLETTE PARCEL  
LIBERTY COVE  
2021-04-01

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LESS AND EXCEPT:

A PARCEL OF LAND SITUATE IN THE JOHN UPTERGROVE GRANT, SECTION 45, TOWNSHIP 2 NORTH, RANGE 27 EAST, NASSAU COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

FOR A POINT OF REFERENCE COMMENCE AT THE NORTHWEST CORNER OF SECTION 8, TOWNSHIP 2 NORTH, RANGE 27 EAST, NASSAU COUNTY, FLORIDA; THENCE S 00°41'02" E, ALONG THE WEST LINE OF SAID SECTION 8, A DISTANCE OF 3,952.33 FEET TO INTERSECT THE NORTH LINE OF SAID SECTION 45; THENCE N 67°22'00" E, ALONG THE NORTH LINE OF SAID SECTION 45, A DISTANCE OF 750.12 FEET; THENCE N 67°21'52" E, ALONG THE NORTH LINE OF SAID SECTION 45, A DISTANCE OF 359.69 FEET TO THE NORTHWEST CORNER OF LANDS DESCRIBED IN OFFICIAL RECORDS BOOK 1942, PAGE 573 OF THE PUBLIC RECORDS OF NASSAU COUNTY, FLORIDA; THENCE S 22°10'07" E, ALONG THE WESTERLY LINE OF SAID LANDS DESCRIBED IN OFFICIAL RECORDS BOOK 1942, PAGE 573, A DISTANCE OF 995.53 FEET TO THE POINT OF BEGINNING; THENCE CONTINUE S 22°10'07" E, ALONG THE WESTERLY LINE OF SAID LANDS DESCRIBED IN OFFICIAL RECORDS BOOK 1942, PAGE 573, A DISTANCE OF 942.67 FEET; THENCE S 57°10'25" W, A DISTANCE OF 997.98 FEET; THENCE N 32°49'35" W, A DISTANCE OF 129.79 FEET; THENCE IN A NORTHERLY DIRECTION WITH A TANGENT CURVE TURNING TO THE RIGHT WITH A RADIUS OF 1,965.00 FEET, HAVING A CHORD BEARING OF N 11°50'05" W AND A CHORD DISTANCE OF 1,407.85 FEET, HAVING A CENTRAL ANGLE OF 41°59'00" AND AN ARC LENGTH OF 1,439.85 FEET TO A POINT; THENCE IN A NORTHEASTERLY DIRECTION WITH A COMPOUND TANGENT CURVE TURNING TO THE RIGHT WITH A RADIUS OF 30.00 FEET, HAVING A CHORD BEARING OF N 35°38'21" E AND A CHORD DISTANCE OF 26.76 FEET, HAVING A CENTRAL ANGLE OF 52°57'51" AND AN ARC LENGTH OF 27.73 FEET TO A POINT; THENCE N 56°32'31" E, A DISTANCE OF 14.58 FEET; THENCE IN A EASTERLY DIRECTION WITH A TANGENT CURVE TURNING TO THE RIGHT WITH A RADIUS OF 39.08 FEET, HAVING A CHORD BEARING OF N 74°05'34" E AND A CHORD DISTANCE OF 23.57 FEET, HAVING A CENTRAL ANGLE OF 35°06'06" AND AN ARC LENGTH OF 23.94 FEET TO A POINT; THENCE S 82°45'44" E, A DISTANCE OF 46.70 FEET; THENCE S 82°53'08" E, A DISTANCE OF 111.15 FEET; THENCE IN A EASTERLY DIRECTION WITH A NON-TANGENT CURVE TURNING TO THE LEFT WITH A RADIUS OF 665.79 FEET, HAVING A CHORD BEARING OF S 85°47'11" E AND A CHORD DISTANCE OF 70.75 FEET, HAVING A CENTRAL ANGLE OF 06°05'30" AND AN ARC LENGTH OF 70.79 FEET TO A POINT; THENCE S 87°47'28" E, A DISTANCE OF 201.56 FEET; THENCE IN A EASTERLY DIRECTION WITH A TANGENT CURVE TURNING TO THE RIGHT WITH A RADIUS OF 265.00 FEET, HAVING A CHORD BEARING OF S 82°36'02" E AND A CHORD DISTANCE OF 47.95 FEET, HAVING A CENTRAL ANGLE OF 10°22'52" AND AN ARC LENGTH OF 48.01 FEET TO A POINT; THENCE S 77°24'36" E, A DISTANCE OF 323.21 FEET TO THE POINT OF BEGINNING.

CONTAINING 28.8 ACRES, MORE OR LESS.

EXHIBIT 3  
LEGAL DESCRIPTION  
SCHOOL PARCEL  
LIBERTY COVE  
2021-04-01

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LESS AND EXCEPT:

PARCEL C-7

A PARCEL OF LAND SITUATE IN THE SECTION 8, TOWNSHIP 2 NORTH, RANGE 27 EAST, NASSAU COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

FOR A POINT OF REFERENCE COMMENCE AT THE NORTHWEST CORNER OF SECTION 8, TOWNSHIP 2 NORTH, RANGE 27 EAST, NASSAU COUNTY, FLORIDA; THENCE S 00°41'02" E, ALONG THE WEST LINE OF SAID SECTION 8, A DISTANCE OF 701.90 FEET TO INTERSECT THE SOUTHERLY RIGHT-OF-WAY LINE OF WILLIAM BURGESS ROAD (A 100' RIGHT-OF-WAY); THENCE IN A SOUTHEASTERLY DIRECTION WITH A TANGENT CURVE TURNING TO THE LEFT WITH A RADIUS OF 695.00 FEET, HAVING A CHORD BEARING OF S 59°26'00" E WITH A CHORD DISTANCE OF 90.08 FEET AND AN ARC LENGTH OF 90.14 FEET; THENCE CONTINUE S 63°08'56" E, ALONG THE SOUTHERLY RIGHT-OF-WAY LINE OF SAID WILLIAM BURGESS ROAD, A DISTANCE OF 811.76 FEET TO THE POINT OF BEGINNING;

THENCE CONTINUE S 63°08'56" E, ALONG SAID SOUTHERLY RIGHT-OF-WAY LINE OF WILLIAM BURGESS ROAD, A DISTANCE OF 660.52 FEET; THENCE S 26°51'04" W, A DISTANCE OF 96.51 FEET; THENCE IN A SOUTHERLY DIRECTION WITH A TANGENT CURVE TURNING TO THE LEFT WITH A RADIUS OF 432.50 FEET, HAVING A CHORD BEARING OF S 09°54'10" W AND A CHORD DISTANCE OF 252.16 FEET, HAVING A CENTRAL ANGLE OF 33°53'49" AND AN ARC LENGTH OF 255.87 FEET; THENCE IN A WESTERLY DIRECTION WITH A REVERSE NON-TANGENT CURVE TURNING TO THE RIGHT WITH A RADIUS OF 300.00 FEET, HAVING A CHORD BEARING OF N 71°58'15" W AND A CHORD DISTANCE OF 92.67 FEET, HAVING A CENTRAL ANGLE OF 17°46'11" AND AN ARC LENGTH OF 93.04 FEET; THENCE N 63°05'09" W, A DISTANCE OF 417.31 FEET; THENCE IN A WESTERLY DIRECTION WITH A TANGENT CURVE TURNING TO THE LEFT WITH A RADIUS OF 150.00 FEET, HAVING A CHORD BEARING OF N 70°50'54" W AND A CHORD DISTANCE OF 40.52 FEET, HAVING A CENTRAL ANGLE OF 15°31'29" AND AN ARC LENGTH OF 40.64 FEET TO INTERSECT THE EASTERLY LINE OF LANDS DESCRIBED IN OFFICIAL RECORDS BOOK 936, PAGE 888 OF THE PUBLIC RECORDS OF NASSAU COUNTY, FLORIDA; THENCE N 00°32'55" W, ALONG THE EASTERLY LINE OF LAST SAID LANDS DESCRIBED IN OFFICIAL RECORDS BOOK 936, PAGE 888 A DISTANCE OF 402.00 FEET TO THE POINT OF BEGINNING.

CONTANING 4.74 ACRES, MORE OR LESS.

EXHIBIT 3  
LEGAL DESCRIPTION  
PARCEL C7  
LIBERTY COVE  
2021-04-01

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LESS AND EXCEPT:

PARCEL C-8

A PARCEL OF LAND SITUATE IN THE JOHN UPTERGROVE GRANT, SECTION 45, TOWNSHIP 2 NORTH, RANGE 27 EAST, NASSAU COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

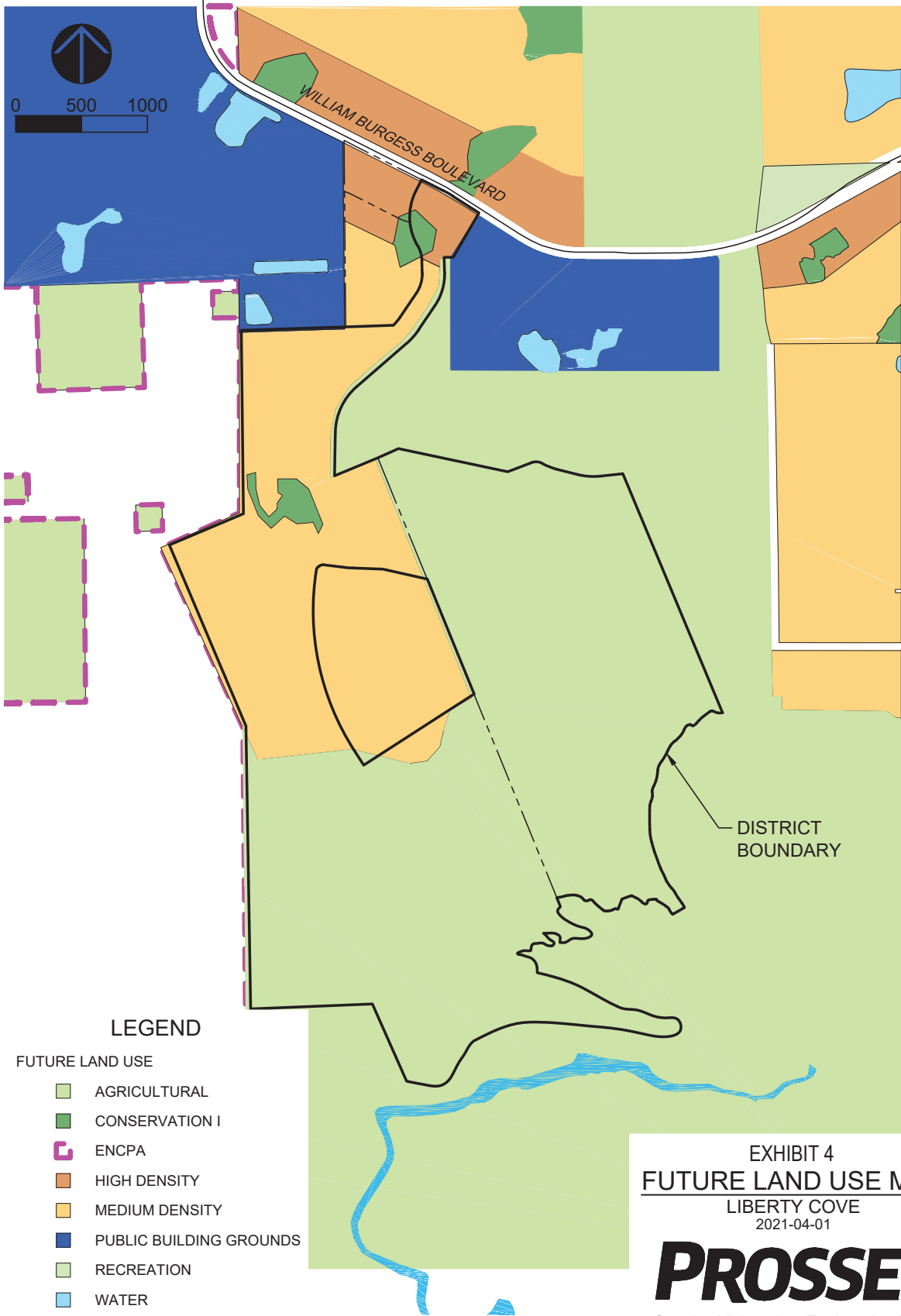
FOR A POINT OF REFERENCE COMMENCE AT THE NORTHWEST CORNER OF SECTION 8, TOWNSHIP 2 NORTH, RANGE 27 EAST, NASSAU COUNTY, FLORIDA; THENCE S 00°41'02" E, ALONG THE WEST LINE OF SAID SECTION 8, A DISTANCE OF 2,557.97 FEET TO THE SOUTHWEST CORNER OF LANDS DESCRIBED IN OFFICIAL RECORDS BOOK 936, PAGE 888 OF THE PUBLIC RECORDS OF NASSAU COUNTY, FLORIDA; THENCE N 88°03'30" E, ALONG THE SOUTHERLY LINE OF LAST SAID LANDS, A DISTANCE OF 793.66 FEET TO THE POINT OF BEGINNING; THENCE N 00°32'55" W, ALONG THE EAST LINE OF LAST SAID LANDS DESCRIBED IN OFFICIAL RECORDS BOOK 936, PAGE 888, A DISTANCE OF 1,014.65 FEET; THENCE IN A EASTERLY DIRECTION WITH A NON-TANGENT CURVE TURNING TO THE RIGHT WITH A RADIUS OF 150.00 FEET, HAVING A CHORD BEARING OF S 70°50'54" E AND A CHORD DISTANCE OF 40.52 FEET, HAVING A CENTRAL ANGLE OF 15°31'29" AND AN ARC LENGTH OF 40.64 FEET; THENCE S 63°05'09" E, A DISTANCE OF 417.31 FEET; THENCE IN A EASTERLY DIRECTION WITH A TANGENT CURVE TURNING TO THE LEFT WITH A RADIUS OF 300.00 FEET, HAVING A CHORD BEARING OF S 71°58'15" E AND A CHORD DISTANCE OF 92.67 FEET, HAVING A CENTRAL ANGLE OF 17°46'11" AND AN ARC LENGTH OF 93.04 FEET; THENCE IN A SOUTHERLY DIRECTION WITH A NON-TANGENT CURVE TURNING TO THE LEFT WITH A RADIUS OF 432.50 FEET, HAVING A CHORD BEARING OF S 18°45'30" E AND A CHORD DISTANCE OF 175.59, HAVING A CENTRAL ANGLE OF 23°25'29" AND AN ARC LENGTH OF 176.82 FEET; THENCE IN A SOUTHERLY DIRECTION WITH A REVERSE TANGENT CURVE TURNING TO THE RIGHT WITH A RADIUS OF 237.50 FEET, HAVING A CHORD BEARING OF S 15°56'31" E AND A CHORD DISTANCE OF 119.16 FEET, HAVING A CENTRAL ANGLE OF 29°03'25" AND AN ARC LENGTH OF 120.45 FEET; THENCE S 01°24'49" E, A DISTANCE OF 94.56 FEET; THENCE IN A SOUTHERLY DIRECTION WITH A TANGENT CURVE TURNING TO THE RIGHT WITH A RADIUS OF 260.00 FEET, HAVING A CHORD BEARING OF S 16°14'05" W AND A CHORD DISTANCE OF 157.65 FEET, HAVING A CENTRAL ANGLE OF 35°17'49" AND AN ARC LENGTH OF 160.17 FEET; THENCE S 33°53'00" W, A DISTANCE OF 220.32 FEET; THENCE IN A SOUTHWESTERLY DIRECTION WITH A TANGENT CURVE TURNING TO THE RIGHT WITH A RADIUS OF 360 FEET, HAVING A CHORD BEARING OF S 40°21'24" W AND A CHORD DISTANCE OF 81.17 FEET, HAVING A CENTRAL ANGLE OF 02°56'48" AND AN ARC LENGTH OF 81.35 FEET; THENCE S 88°03'29" W, A DISTANCE OF 361.05 FEET TO THE POING OF BEGINNING.

CONTAINING 10.60 ACRES, MORE OR LESS

EXHIBIT 3  
LEGAL DESCRPTION  
PARCEL C8  
LIBERTY COVE  
2021-04-01

**PROSSER**

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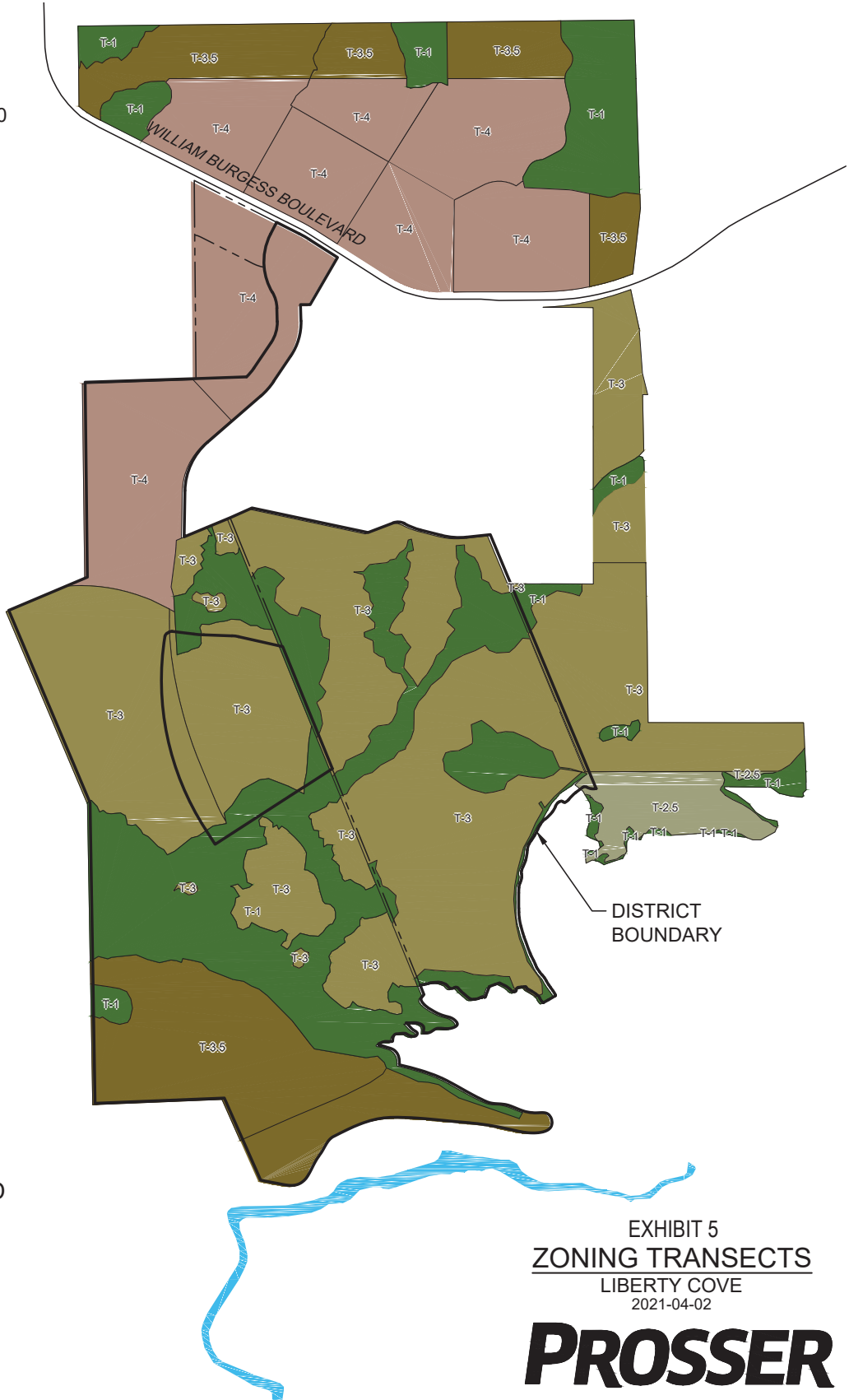
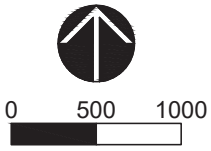
**LEGEND**

**FUTURE LAND USE**

- AGRICULTURAL
- CONSERVATION I
- ENCPA
- HIGH DENSITY
- MEDIUM DENSITY
- PUBLIC BUILDING GROUNDS
- RECREATION
- WATER

EXHIBIT 4  
**FUTURE LAND USE MAP**  
 LIBERTY COVE  
 2021-04-01

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**LEGEND**

- WBD Transects
- T-1
  - T-2.5
  - T-3
  - T-3.5
  - T-4

EXHIBIT 5  
**ZONING TRANSECTS**  
 LIBERTY COVE  
 2021-04-02

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0 500 1000

EXISTING 10"  
WATER MAIN

EXISTING 16"  
WATER MAIN

WILLIAM BURGESS BOULEVARD

EXISTING 10" WATER MAIN

DISTRICT  
BOUNDARY

EXHIBIT 6  
EXISTING WATER  
LIBERTY COVE  
2021-04-01

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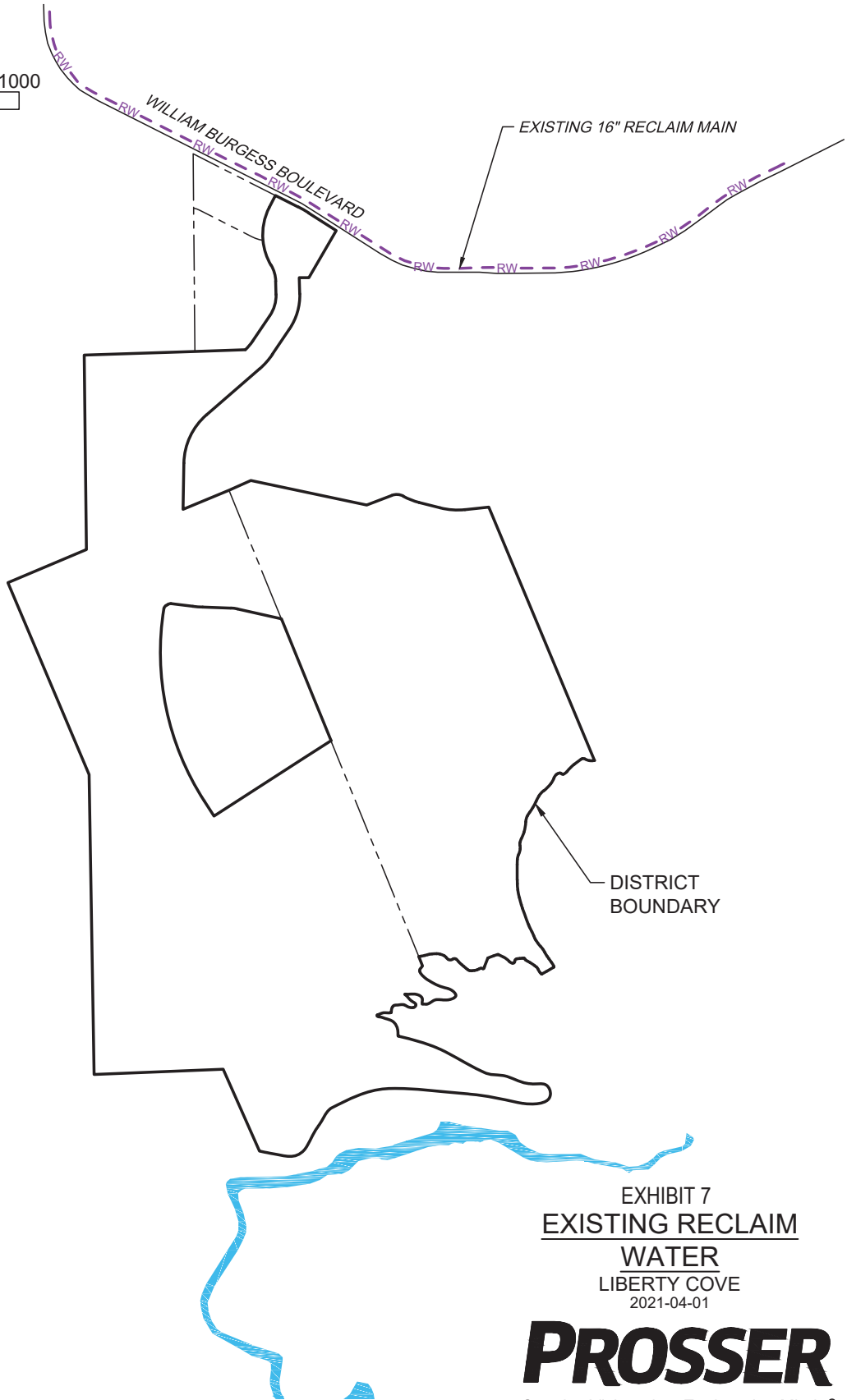
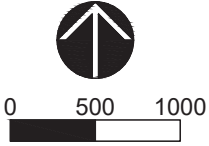


EXHIBIT 7  
EXISTING RECLAIM  
WATER  
LIBERTY COVE  
2021-04-01

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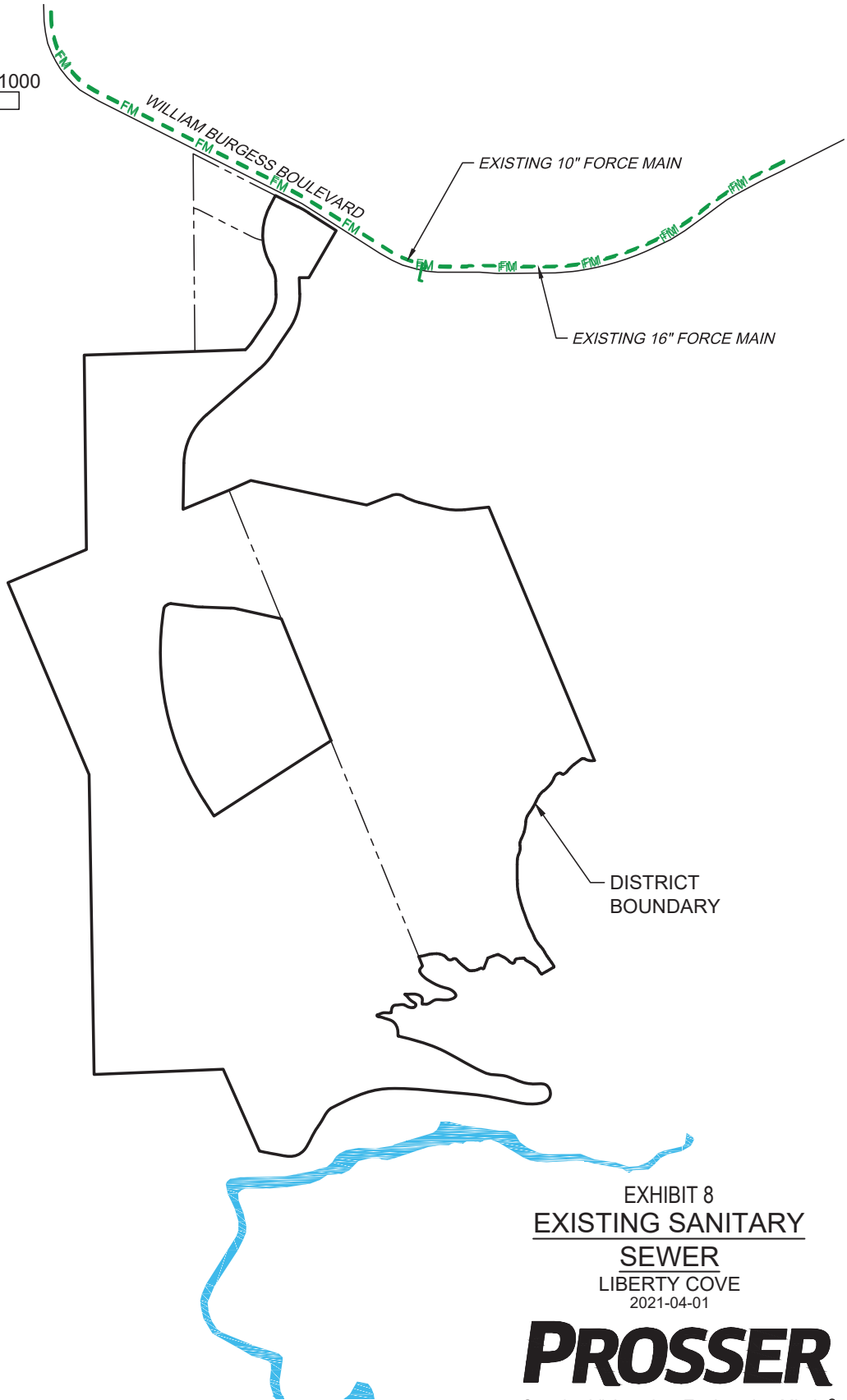
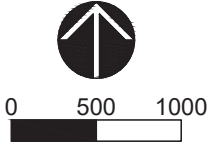
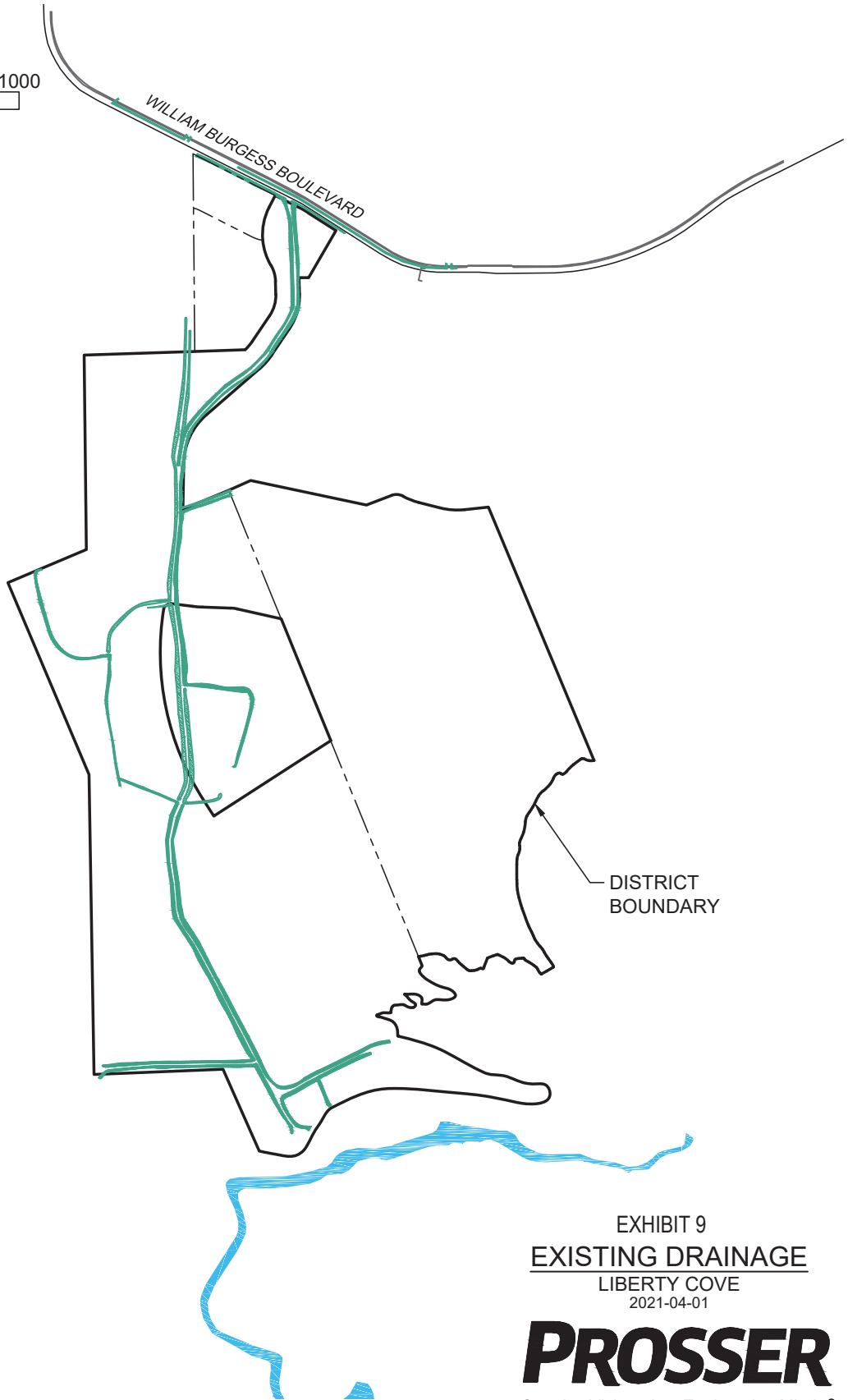
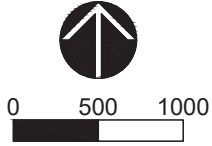


EXHIBIT 8  
EXISTING SANITARY  
SEWER  
LIBERTY COVE  
2021-04-01

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DISTRICT  
BOUNDARY

EXHIBIT 9  
EXISTING DRAINAGE  
LIBERTY COVE  
2021-04-01

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First Supplemental Engineer’s Report for the  
 Liberty Cove Community Development District  
 March 11, 2024

**1. PURPOSE**

This report supplements the engineer’s report titled Liberty Cove Community Development District Improvement Plan, dated September 23, 2021 (“**Master Report**”) in order to address the first phase of the District’s CIP to be known as the “**2024 Project**” a/k/a “**Assessment Area One Project**”. All capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the original engineer’s report.

**2. 2024 PROJECT**

The District’s 2024 Project includes the portion of the CIP that is necessary for the development of what is known as “Phase 1 and 2” (together, “**Assessment Area One**”) of the District. A legal description and sketch for Assessment Area One are shown in **Exhibit A**.

**Product Mix**

The table below shows the product types that will be part of the 2024 Project:

**Product Mix Overall**

Phase	Unit Type / Size	Quantity
Phase 1	Single Family	118
	Townhomes Lots	210
Phase 2	Single Family	276
Phase 3	Single Family	63
	Townhomes Lots	251
<b>Total</b>		<b>918</b>

**Product Mix 2024 Project / Assessment Area One Units**

<b>Product Type</b>	<b>2024 Project / Assessment Area One Units</b>
Single Family	394
Townhomes	210
<b>TOTAL</b>	<b>604</b>

**List of 2024 Project Improvements**

The various improvements that are part of the overall CIP – including those that are part of the 2024 Project – are described in detail in the Master Report, and those descriptions are incorporated herein. The 2024 Project includes, generally stated, the following items relating to Assessment Area One: public roadways, stormwater management, utilities, hardscape/landscape/irrigation, conservation, the differential cost of undergrounding electrical conduit, soft costs, etc. Also, the 2024 Project includes the development of the utility tie-ins on Willam Burgess Blvd.

**Permits**

The status of the applicable permits necessary for the 2024 Project is as shown below. All permits and approvals necessary for the development of the 2024 Project have been obtained or are reasonably expected to be obtained in due course.

**Phase 1 Permit Table**

<b>Phase 1 Permits</b>	<b>Original Status</b>	<b>Revision Status</b>
SJRWMD - Environmental Resource Permit	Issued	In Review
Nassau County Construction Plan Approval	Issued	In Review
JEA Plan Approval	Issued	In Review
FDEP Domestic Wastewater Collection Permit	-	Submittal Pending JEA Approval
FDEP Potable Water Main Extension Permit	-	Submittal Pending JEA Approval
ACOE State 404 Program Permit	-	In Review

## Phase 2 Permit Table

Phase 2 Permits	Status
SJRWMD - Environmental Resource Permit	Permit Anticipated Summer 2024
Nassau County Construction Plan Approval	Approval Anticipated Summer 2024
JEA Plan Approval	Approval Anticipated Summer 2024
FDEP Domestic Wastewater Collection Permit	Permit Anticipated Summer 2024
FDEP Potable Water Main Extension Permit	Permit Anticipated Summer 2024
ACOE State 404 Program Permit	Permit Anticipated Summer 2024

### Estimated Costs / Benefits

The table below shows the costs that are necessary for delivery of the Assessment Area One lots for the 2024 Project, which includes the roads, utilities, and other improvements specific to Assessment Area One as well as “master” improvements as described above.

### ESTIMATED COSTS OF DELIVERING THE ASSESSMENT AREA ONE PROJECT

Improvement	2024 Project Estimated Cost	Operation & Maintenance Entity
Stormwater System	\$12,583,000	CDD
Sanitary Sewer	\$7,162,000	JEA
Water Distribution	\$4,775,000	JEA
Reclaimed Water Distribution	\$3,980,000	CDD / JEA
Undergrounding of Electric Conduit	\$430,000	FPL
Conservation / Mitigation	\$1,730,000	CDD
Landscape / Hardscape / Irrigation	\$6,333,000	CDD
On-Site Roadways	\$8,154,000	CDD
Off-Site Roadways	\$0	County
Contingency (20%)	\$9,029,400	As above
Professional Fees	\$2,750,000	n/a
<b>TOTAL</b>	<b>\$56,926,400</b>	

- 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.
- e. Because the CIP is a system of improvements, the 2024 Project benefits to lands within the 2024 Project area are a

proportion of the total CIP costs based on the relative number of “Equivalent Residential Units” (as further defined in the District’s assessment methodology report(s)) planned for the 2024 Project area. Stated differently, the table above shows the overall costs of constructing the 2024 Project, but the benefit to the 2024 Project area may be lower because such benefit is based on the proportion of ERUs within the 2024 Project area divided by the total ERUs for the overall CIP. As a practical matter, this means that the assessment consultant should derive any benefit levels from the relative ERUs for the 2024 Project, and that future bonds, secured by special assessments levied on lands outside of the 2024 Project area, may be issued to finance certain master improvements that were constructed as part of the 2024 Project.

### 3. CONCLUSION

The 2024 Project will be designed in accordance with current governmental regulations and requirements. The 2024 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 2024 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 2024 Project are required by applicable development approvals issued pursuant to Section 380.06, Florida Statutes;
- the 2024 Project is feasible to construct, there are no technical reasons existing at this time that would prevent the implementation of the 2024 Project, and it is reasonable to assume that all necessary regulatory approvals will be obtained in due course; and
- the assessable property within the District will receive a special benefit from the 2024 Project that is at least equal to the costs of the 2024 Project.

As described above, this report identifies the benefits from the 2024 Project to the lands within the District. The general public, property owners, and property outside the District will benefit from the provisions of the 2024 Project; however, these are incidental to the 2024 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 2024 Project will be owned by the District or other governmental units and such 2024 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 2024 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 2024 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 2024 Project or the fair market value.

Please note that the 2024 Project as presented herein is based on current plans and market

conditions which are subject to change. Accordingly, the 2024 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.

#### **4. OTHER REVISIONS TO THE MASTER REPORT**

##### **2.1 General**

The development will consist of residential parcels with approximately 918 units and associated infrastructure (“Development”). The Development is a conventional planned residential community located south of William Burgess Boulevard and is anticipated to be developed in phases over multiple years. The current phasing plan includes Phase One (Parcels D, E1, and relocated E3: 328 residential units), Phase Two (Parcels H: 276 residential units) and Phase Three (314 residential units).

##### **2.2 The District**

This section is covered under section 2. 2024 Project above and thus, is to be removed.

##### **3.4 Construction Status**

Construction on Phase 1 has commenced and is anticipated for completion in 2025-2026. Phase 2 is currently in engineering design.

##### **4.0 Engineer’s Certification**

The cost opinions provided herein are fair and reasonable and we have no reason to believe that the improvements described herein cannot be constructed and installed at such costs. The opinion of infrastructure construction costs is only an opinion and not a guarantee maximum price. The probable construction opinion costs were determined utilizing comparable historical costs within North Florida, applied to the conceptual land development plan with a twenty percent (20%) contingency added. The labor market, future costs of equipment and materials, increased regulatory actions and the actual construction process are all beyond control. Due to this inherent opportunity for fluctuation in cost, the total final cost may be more or less than this opinion.

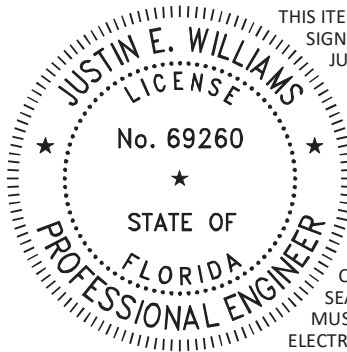
We expect that all improvements to be constructed can be completed on schedule. Detailed design documents and permits necessary to complete the improvements will be acquired in the normal course of business. We, therefore, believe that the CDD will be well served by the infrastructure improvements discussed in this report. The improvements, if designed and

constructed to the standards described herein, will be sufficient to support the developer's development program as described within this Engineers Report.

Improvements described within this Engineers Report will provide a direct and special benefit to the lands within the boundary of the District. I hereby certify that the foregoing is a true and correct copy of the Liberty Cove CDD Improvement Plan.

Sincerely,  
**Connelly & Wicker, Inc.**

THIS ITEM HAS BEEN DIGITALLY SIGNED AND SEALED BY JUSTIN E. WILLIAMS



**Justin E Williams**

ON THE DATE ADJACENT TO THE SEAL. PRINTED COPIES OF THIS DOCUMENT ARE NOT CONSIDERED SIGNED AND SEALED AND THE SIGNATURE MUST BE VERIFIED ON ANY ELECTRONIC COPIES.

Digitally signed by Justin E Williams  
DN: cn=Justin E Williams, c=US, o=CONNELLY AND WICKER INC., email=jwilliams@cweng.com  
Date: 2024.03.11 17:10:56 -04'00'

Justin Williams, P.E.  
Florida License No. 69260  
March 11, 2024

**APPENDIX B**

**PROPOSED FORMS OF INDENTURE**

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TABLE OF CONTENTS

MASTER TRUST INDENTURE

between

LIBERTY COVE COMMUNITY DEVELOPMENT DISTRICT

and

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,

as Trustee

Dated as of July 1, 2024

relating to

LIBERTY COVE COMMUNITY DEVELOPMENT DISTRICT

SPECIAL ASSESSMENT REVENUE BONDS

ARTICLE I DEFINITIONS .....2

ARTICLE II THE BONDS .....14

Section 2.01 Amounts and Terms of Bonds; Details of Bonds .....14

Section 2.02 Execution .....15

Section 2.03 Authentication .....15

Section 2.04 Registration and Registrar .....15

Section 2.05 Mutilated, Destroyed, Lost or Stolen Bonds .....15

Section 2.06 Temporary Bonds .....16

Section 2.07 Cancellation and Destruction of Surrendered Bonds .....16

Section 2.08 Registration, Transfer and Exchange .....16

Section 2.09 Persons Deemed Owners .....17

Section 2.10 Limitation on Incurrence of Certain Indebtedness .....17

Section 2.11 Qualification for The Depository Trust Company .....17

ARTICLE III ISSUE OF BONDS .....20

Section 3.01 Issue of Bonds .....20

ARTICLE IV CONSTRUCTION OR ACQUISITION OF PROJECT .....23

Section 4.01 Project to Conform to Plans and Specifications; Changes .....23

Section 4.02 Compliance Requirements .....23

ARTICLE V ACQUISITION AND CONSTRUCTION FUND .....24

Section 5.01 Acquisition and Construction Fund .....24

ARTICLE VI SPECIAL ASSESSMENTS; APPLICATION THEREOF TO FUNDS AND ACCOUNTS .....26

Section 6.01 Special Assessments; Lien of Indenture on Pledged Revenues .....26

Section 6.02 Funds and Accounts Relating to the Bonds .....26

Section 6.03 Revenue Fund .....27

Section 6.04 Debt Service Fund .....28

Section 6.05 Debt Service Reserve Fund .....30

Section 6.06 Bond Redemption Fund .....32

Section 6.07 Drawings on Credit Facility .....33

Section 6.08 Procedure When Funds Are Sufficient to Pay All Bonds of a Series .....33

Section 6.09 Certain Moneys to Be Held for Series Bondowners Only .....33

Section 6.10 Unclaimed Moneys .....33

Section 6.11 Rebate Fund .....34

ARTICLE VII SECURITY FOR AND INVESTMENT OR DEPOSIT OF FUNDS .....35

Section 7.01 Deposits and Security Therefor .....35

Section 7.02 Investment or Deposit of Funds .....35

Section 7.03 Valuation of Funds .....36

ARTICLE VIII REDEMPTION AND PURCHASE OF BONDS .....37

Section 8.01 Redemption Dates and Prices .....37

Section 8.02 Notice of Redemption and of Purchase .....38

Section 8.03 Payment of Redemption Price .....39

Section 8.04 Partial Redemption of Bonds .....39

ARTICLE IX COVENANTS OF THE DISTRICT .....41

Section 9.01 Power to Issue Bonds and Create Lien .....41

Section 9.02 Payment of Principal and Interest on Bonds .....41

Section 9.03 Special Assessments; Re-Assessments .....41

Section 9.04 Method of Collection .....42

Section 9.05 Delinquent Special Assessments .....42

Section 9.06 Sale of Tax Certificates and Issuance of Tax Deeds; Foreclosure of Special Assessment Liens .....43

Section 9.07 Books and Records with Respect to Special Assessments .....43

Section 9.08 Deposit of Special Assessments .....44

Section 9.09 Construction to be on District Lands .....44

Section 9.10 Operation, Use and Maintenance of Project .....44

Section 9.11 Observance of and Compliance with Valid Requirements .....44

Section 9.12 Public Liability and Property Damage Insurance; Maintenance of Insurance; Use of Insurance and Condemnation Proceeds .....44

Section 9.13 Collection of Insurance Proceeds .....46

Section 9.14 Use of Revenues for Authorized Purposes Only .....46

Section 9.15 Books and Records .....46

Section 9.16 Observance of Accounting Standards .....47

Section 9.17 Employment of Certified Public Accountant .....47

Section 9.18 Establishment of Fiscal Year, Annual Budget .....47

Section 9.19 Employment of Consulting Engineer; Consulting Engineer's Report .....47

Section 9.20 Audit Reports .....47

Section 9.21 Reserved .....47

Section 9.22 Covenant Against Sale or Encumbrance; Exceptions .....48

Section 9.23 No Loss of Lien on Pledged Revenue .....48

Section 9.24 Compliance With Other Contracts and Agreements .....48

Section 9.25 Issuance of Additional Obligations .....48

Section 9.26 Extension of Time for Payment of Interest Prohibited .....48

Section 9.27 Further Assurances .....49

Section 9.28 Use of Bond Proceeds to Comply with Internal Revenue Code .....49

Section 9.29 Corporate Existence and Maintenance of Properties .....49

Section 9.30 Continuing Disclosure .....49

ARTICLE X EVENTS OF DEFAULT AND REMEDIES .....51

Section 10.01 Events of Default and Remedies .....51

Section 10.02 Events of Default Defined .....51

Section 10.03 No Acceleration; Redemption .....52

Section 10.04 Legal Proceedings by Trustee .....52

Section 10.05 Discontinuance of Proceedings by Trustee .....53

Section 10.06 Bondholders May Direct Proceedings .....53

Section 10.07 Limitations on Actions by Bondholders .....53

Section 10.08 Trustee May Enforce Rights Without Possession of Bonds .....53

Section 10.09 Remedies Not Exclusive .....53

Section 10.10 Delays and Omissions Not to Impair Rights .....53

Section 10.11 Application of Moneys in Event of Default .....53

Section 10.12 Trustee and Bondholders Entitled to all Remedies under Act .....54

Section 10.13 Trustee's Right to Receiver; Compliance with Act .....55

Section 10.14 Credit Facility Issuer's Rights Upon Events of Default .....55

ARTICLE XI THE TRUSTEE; THE PAYING AGENT AND REGISTRAR .....56

Section 11.01 Acceptance of Trust .....56

Section 11.02 No Responsibility for Recitals .....56

Section 11.03 Trustee May Act Through Agents; Answerable Only for Willful Misconduct or Negligence .....56

Section 11.04 Compensation and Indemnity .....57

Section 11.05 No Duty to Renew Insurance .....57

Section 11.06 Notice of Default; Right to Investigate .....57

Section 11.07 Obligation to Act on Defaults .....57

Section 11.08 Reliance by Trustee .....57

Section 11.09 Trustee May Deal in Bonds .....58

Section 11.10 Construction of Ambiguous Provisions .....58

Section 11.11 Resignation of Trustee .....58

Section 11.12 Removal of Trustee .....58

Section 11.13 Appointment of Successor Trustee .....59

Section 11.14 Qualification of Successor .....59

Section 11.15 Instruments of Succession .....59

Section 11.16 Merger of Trustee .....59

Section 11.17 Extension of Rights and Duties of Trustee to Paying Agent and Registrar .....59

Section 11.18 Resignation of Paying Agent or Registrar .....60

Section 11.19 Removal of Paying Agent or Registrar .....60

Section 11.20 Appointment of Successor Paying Agent or Registrar .....60

Section 11.21 Qualifications of Successor Paying Agent or Registrar .....60

Section 11.22 Judicial Appointment of Successor Paying Agent or Registrar .....60

Section 11.23 Acceptance of Duties by Successor Paying Agent or Registrar .....61

Section 11.24 Successor by Merger or Consolidation .....61

Section 11.25 Brokerage Confirmations .....61

Section 11.26 Patriot Act Requirements of Trustee .....61

ARTICLE XII ACTS OF BONDHOLDERS; EVIDENCE OF OWNERSHIP OF BONDS .....62

Section 12.01 Acts of Bondholders; Evidence of Ownership of Bonds .....62

ARTICLE XIII AMENDMENTS AND SUPPLEMENTS .....63

Section 13.01 Amendments and Supplements Without Bondholders' Consent .....63

Section 13.02 Amendments With Bondholders' Consent .....63

Section 13.03	Trustee Authorized to Join in Amendments and Supplements; Reliance on Counsel .....	64
<b>ARTICLE XIV DEFEASANCE.....65</b>		
Section 14.01	Defeasance .....	65
Section 14.02	Deposit of Funds for Payment of Bonds.....	65
<b>ARTICLE XV MISCELLANEOUS PROVISIONS.....67</b>		
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.....	69
Section 15.10	Counterparts.....	69
Section 15.11	Appendices and Exhibits.....	69

Exhibit A – Acquisition and Construction Fund Requisition

**THIS MASTER TRUST INDENTURE**, dated as of July 1, 2024 (the “Master Indenture”), by and between LIBERTY COVE COMMUNITY DEVELOPMENT DISTRICT (together with its permitted successors and assigns, the “District”), a local unit of special-purpose government organized and existing under the laws of the State of Florida, and U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, a national banking association 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 District 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. 2021-10 of Nassau County, Florida effective on July 2, 2021, as amended by Ordinance No. 2024-12 effective April 22, 2024, 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 District; and

**WHEREAS**, the premises governed by the District are located entirely within the boundaries of unincorporated Nassau County, Florida (the “County”) (herein, the “District Lands”); and

**WHEREAS**, the District 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 District 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 District hereby assigns, transfers, sets over and pledges to the Trustee and grants a lien on all of the right, title and interest of the District in and to the Pledged Revenues (hereinafter defined) as security for the payment of the principal, redemption or purchase price of (as the case may be) and interest on Bonds of a Series

issued hereunder and any reimbursement due to any Credit Facility Issuer for any drawing on its Credit Facility issued with respect to any such Bonds, as required under the terms of the corresponding Credit Facility Agreement, all in the manner hereinafter provided, and the District further hereby agrees with and covenants unto the Trustee as follows:

**ARTICLE I  
DEFINITIONS**

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

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

“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 District’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 District delivered at the time of issuance of a Series of Bonds setting forth the expectations of the District with respect to the use of the proceeds of such Series and also containing certain covenants of the District 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 District.

“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 District 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 Liberty Cove 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 District 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 District, 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 District” shall mean a copy of one or more resolutions certified by the Secretary or an Assistant Secretary of the District, 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 District 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 District may serve as Consulting Engineer under this Master Indenture and any Supplemental Indentures.

“Continuing Disclosure Agreement” shall mean a Continuing Disclosure Agreement, of the District, 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 District and its employees, materials and supplies purchased by the District and permits and licenses obtained by the District);
- (f) cost of all lands, properties, rights, easements, and franchises acquired;
- (g) financing charges;
- (h) creation of initial reserve and debt service funds;
- (i) working capital;
- (j) interest charges incurred or estimated to be incurred on money borrowed prior to and during construction and acquisition and for such reasonable period of time after completion of construction or acquisition as the Board may determine and as approved by Bond Counsel;
- (k) the cost of issuance of Bonds, including, without limitation, advertisements and printing;
- (l) the cost of any election held pursuant to the Act and all other expenses of issuance of bonds;
- (m) the discount, if any, on the sale or exchange of Bonds;
- (n) amounts required to repay temporary or bond anticipation loans made to finance any costs permitted under the Act;
- (o) costs of prior improvements performed by the District in anticipation of the Project;

4

“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, 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

6

(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 District 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 District) not unsatisfactory to the Trustee.

“County” shall mean Nassau County, Florida.

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

5

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” or “Issuer” shall mean the Liberty Cove Community Development District.

“District Lands” shall mean the premises governed by the District.

“District Manager” shall mean the then District Manager or acting District Manager of the District.

“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 1, of each calendar year and ending on September 30 of the following calendar year, and also shall mean the period from actual execution hereof to and including the next succeeding September 30; or such other consecutive twelve-month period as may hereafter be established pursuant to a Certified Resolution as the fiscal year of the District 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 District and acceptable to the Trustee.

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

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

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

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

7

"Independent" shall mean a Person who is not a member of the District's Board, an officer or employee of the District 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 District's Board, or an officer or employee of the District; provided, however, that the fact that such Person is retained regularly by or regularly transacts business with the District 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 District 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

8

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 District 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 District; provided, however, this provision does not affect the right of the Trustee to deal in Bonds as set forth in Section 11.09 hereof.

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

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

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

"Pledged Revenues" shall mean, unless otherwise provided by Supplemental Indenture with respect to a Series of Bonds, with respect to each Series of Bonds Outstanding, (a) all revenues received by the District 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 monies received as the result of 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.

"Prepayment Principal" shall mean the portion of a Prepayment corresponding to the principal amount of the Special Assessments being prepaid.

"Principal Account" shall mean the account so designated within the Debt Service Fund.

"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.

(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 District is permitted under the Indenture and is a legal investment for funds of the 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 \_\_\_\_\_, 2024 by and between the District 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 District 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.

9

"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 Trust Company, National Association, which entity shall have the responsibilities set forth in Section 2.04 of this Master Indenture, and thereafter any successor thereto appointed in accordance with Section 11.20 of this Master Indenture.

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

"Regulatory Body" shall mean and include (a) the United States of America and any department of or corporation, agency or instrumentality heretofore or hereafter created, designated or established by the United States of America, (b) the State, any political subdivision thereof and any department of or corporation, agency or instrumentality heretofore or hereafter created, designated or established by the State, (c) the County and any department, 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 District.

"Responsible Officer" shall mean any member of the Board or any other officer of the District, including the Secretary, the District Manager or other person designated by Certified Resolution of the District, 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 division of S&P Global Inc., 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 District 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 District 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 District 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 District, 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.

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

"Special Assessments" shall mean (a) the "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 "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 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.

"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.

12

## ARTICLE II THE BONDS

Section 2.01 Amounts and Terms of Bonds; Details of Bonds. The District 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 "Liberty Cove 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 District'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. 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

14

"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.

"Term Bonds" shall mean Bonds that mature on one date and that are subject to mandatory redemption from Sinking Fund Installments.

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 District shall, unless the form or execution thereof is otherwise specifically provided, be in writing signed by the Responsible Officer of the District.

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

[END OF ARTICLE I]

13

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 Chair or Vice Chair of the District, and the corporate seal of the District 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 District, be authenticated by the Trustee, notwithstanding that one or both of the officers of the District 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 District 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 District and Registrar may prescribe, the District shall provide for the registration of the Bonds and for the registration of transfers and exchanges of such Bonds. The Trustee shall notify the District 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 District 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 District 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 District and the Trustee; and if such evidence shall be satisfactory to both and indemnity satisfactory to both shall be given, the District 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

15

or destroyed Bond shall have matured or be about to mature, the District 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 District, 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 District 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 District, 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 District 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 District 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 District 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.

16

As long as the Bonds are held in book-entry only form, CEDE & 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 District.

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

The District 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 District. In the event of such termination, the District shall select another securities depository and in that event all references herein to DTC or CEDE & CO shall be deemed to be references to its respective successors. If the District 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 District elects to discontinue the book-entry only system in conformity with the requirements of DTC, the Trustee shall deliver bond certificates

18

All Bonds issued upon any transfer or exchange of Bonds shall be valid obligations of the District, 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 District 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 District nor the Registrar on behalf of the District 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 District, 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 District, 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 District, 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 District 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 District may enter into agreements with Districts of Credit Facilities which involve liens on Pledged Revenues on a parity with that of the Bonds or portion thereof which is supported by such Credit Facilities.

Section 2.11 Qualification for The Depository Trust Company. To the extent provided in a Supplemental Indenture or authorized and directed by a Resolution of the District 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.

17

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]

**ARTICLE III  
ISSUE OF BONDS**

Section 3.01 Issue of Bonds. Subject to the provisions of Section 2.01 hereof, the District 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 District, 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 District (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 Articles V and 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 Article XIV hereof;
- 2) a written opinion or opinions of Counsel to the District, substantially to the effect that (a) the District has good right and lawful authority under the Act to undertake the 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 District 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, district and municipal ad valorem taxes and superior in priority to all other liens, titles and claims against said property then existing or hereafter 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 District 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 District of all or a portion of the Project that has been completed, stating, substantially to the effect that in the signer's opinion, (a) 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 thereof; (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 District for the Project improvements is no more than the lesser of (i) the fair market value of such improvements and (ii) the actual Cost of construction of such improvements; and (d) the plans and specifications for the Project improvements have been approved by all Regulatory Bodies required to approve them or such approval can reasonably be expected to be obtained;

20

- 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 District or the Trustee upon advice of counsel.

At the option of the District, 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 District. Execution of a Series of the Bonds by the District 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 District, and the Participating Underwriter and/or the initial purchaser of such Series of Bonds.

[END OF ARTICLE III]

4) a copy of the Supplemental Indenture for such Bonds, certified by the Secretary or Assistant Secretary of the District 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 District in respect to such Bonds;

7) one or more Certified Resolutions of the District relating to the levy of Special Assessments in respect of the Project, and evidencing that the District has undertaken and, to the extent then required under applicable law, completed all necessary proceedings, including, without limitation, the approval of assessment rolls, the holding of public hearings, the adoption of resolutions and the establishment of all necessary collection procedures, in order to levy and collect 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 substantially to the effect that (a) the Series of Bonds are valid and binding limited obligations of the District, payable solely from the sources provided therein in the Indenture; (b) the Indenture constitutes a valid and binding obligation of the District, enforceable in accordance with its terms, and (c) if such Series of Bonds are not taxable Bonds, that the interest thereon is excludable from gross income for federal income tax purposes under the income tax laws of the United States in effect on the date such Series of Bonds are delivered to their initial purchasers;

9) a written direction of the District 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 District 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;

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

21

**ARTICLE IV  
CONSTRUCTION OR ACQUISITION OF PROJECT**

Section 4.01 Project to Conform to Plans and Specifications; Changes. The District 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 District 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]

**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 District whenever, in the opinion of the District, 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 District 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 District 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 District 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

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

Amounts in the applicable Series Account of the Acquisition and Construction Fund shall be applied to pay the Cost of the Project or a portion thereof, as applicable, pertaining to the applicable Series of Bonds, provided, however, that if any amounts remain in a Series Account of the Acquisition and Construction Fund after the completion 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

24

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

Section 6.01 Special Assessments; Lien of Indenture on Pledged Revenues. The District 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 District, 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 District will collect such Special Assessments as provided in Article IX hereof.

The District 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 amounts received by the District from the levy of the Special Assessments on the District Lands subject to Special Assessments for the payment of the related Series of Bonds; provided, however, that amounts received as Prepayment Principal 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 District 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 District shall direct the landowner making such Prepayment to specify the Series of Bonds to which 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 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

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.

(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 District 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 District, 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 District 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 or as otherwise provided in the applicable Supplemental Indenture. When no monies remain in a Series Account of the Acquisition and Construction Fund, such Account shall be closed.

[END OF ARTICLE V]

25

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 amounts received from the levy of the Special Assessments on the District Lands or any portion thereof (other than Prepayment Principal which shall be deposited in the Bond Redemption Account established for such Series of Bonds) 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 District 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, 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, no later than the Business Day preceding the first November 1 for which there remains an insufficient amount from Bond proceeds (or investment earnings thereon) on deposit in the applicable Series Interest Account to be applied to the payment of interest on the Bonds of a Series due on the next succeeding November 1, and no later than the Business Day next preceding each November 1 thereafter while Bonds of such Series issued under the Indenture remain Outstanding, to the applicable Series Interest Account of the Debt Service Fund, an amount equal to the interest on the Bonds of such Series becoming due on the next succeeding November 1, less any amount on deposit in the applicable Series Interest Account not previously credited;

26

27



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, 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 District 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 District, withdraw any moneys held for the credit of the Revenue Fund on November 2<sup>nd</sup> of such year which are not otherwise required to be deposited pursuant to this Section and deposit such moneys as directed by the District 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 District shall direct the Trustee to make such deposit thereto.

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

28

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 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,

30

The Trustee at all times shall make available to any Paying Agent the funds in the Series Principal Account, the Series Interest Account and the Series Capitalized Interest Account, if any, 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 District shall notify the Trustee that the District wishes to arrange for such purchase, the Trustee shall comply with the District'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 District, 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 District may present to the Trustee Bonds of such Series purchased by the District 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.

29

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 District 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 District 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.

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,

31

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 District 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.

Unless provided otherwise in a Supplemental Indenture with respect to a Series of Bonds, 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 District may direct in accordance with an arbitrage rebate agreement, such moneys thereupon to be used solely for the purposes specified in said arbitrage rebate agreement. Any moneys so transferred from the Series Account within the Bond Redemption Fund to the Rebate Fund shall thereupon be free from the lien and pledge of the related Indenture;

SECOND, to be used to call for redemption pursuant to clause (b) of Section 8.01 hereof an amount of Bonds of the applicable Series equal to the amount of money transferred to the Series Account 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

32

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 District in writing. If so directed by the District 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 VII]

34

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 District shall pay all expenses in connection with such redemption from amounts in the Revenue Fund.

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 District and the Trustee, Paying Agent, Registrar and Credit Facility Issuer, if any, the Trustee, at the direction of the District, shall apply the amounts in the Series Funds and Series Accounts to the payment of the aforesaid obligations and the District shall not be required to pay over any further Pledged Revenues with respect to such Series of Bonds unless and until it shall appear that there is a deficiency in the Funds and Accounts held by the Trustee.

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

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

33

## ARTICLE VII SECURITY FOR AND INVESTMENT OR DEPOSIT OF FUNDS

Section 7.01 Deposits and Security Thereof. Unless otherwise 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 redeposits in time accounts under Section 7.02) shall, to the extent not insured, and to the extent permitted by law, be fully secured as to both principal and interest earned, by Investment Securities of the types set forth in the definition of Investment Securities and the provisions thereof. If at any time the Trustee is unwilling to accept such deposits or unable to secure them as provided above, the Trustee may deposit such moneys with any other depository which is authorized to receive them and the deposits of which are insured by the Federal Deposit Insurance Corporation (including the FDIC Savings Association Insurance Fund). All deposits in any other depository in excess of the amount covered by insurance (whether under this Section 7.01 or Section 7.02 as aforesaid) shall, to the extent permitted by law, be fully secured as to both principal and interest earned, in the same manner as required herein for deposits with the Trustee. Such security shall be deposited with a Federal Reserve Bank, with the trust department of the Trustee as authorized by law with respect to trust funds in the State, or with a bank or trust company having a combined net capital and surplus of not less than \$50,000,000.

Section 7.02 Investment or Deposit of Funds. Except to the extent otherwise provided in a Supplemental Indenture with respect to a Series of Bonds, the Trustee shall, as directed by the District 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 (iii), (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 District 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 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

35

Revenue Fund. Upon request of the District, or on its own initiative whenever payment is to be made out of any Fund or Account, the Trustee shall sell such securities as may be requested to make the payment and restore the proceeds to the 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 District 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 District or otherwise, including that set forth in the first sentence of this paragraph. The Trustee may conclusively rely upon the District'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 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 District 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

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 District 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 and cancelled pursuant to Section 6.04 hereof.

Upon any redemption of Bonds other than in accordance with scheduled Sinking Fund Installments, the District 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 District, 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 District 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 District, shall be dated, shall set forth the Bonds of such Series Outstanding which shall be called for redemption or purchase and shall include, without limitation, the following additional information:

- (a) the redemption or purchase date;
- (b) the redemption or purchase price;
- (c) CUSIP numbers, to the extent applicable, and any other distinctive numbers and letters;
- (d) if less than all Outstanding Bonds of a Series to be redeemed or purchased, the identification (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed or purchased;

38

## 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 District, 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 District, at the times and upon payment of the Redemption 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 District 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 District 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 thereof plus accrued interest to the redemption date, in the years and amounts set forth in a Supplemental Indenture.

37

(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 District 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 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 District, 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,

39

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 District 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, rounded down to the nearest \$5,000 amount (or other minimum amount necessary in order to retain Authorized Denominations).

[END OF ARTICLE VIII]

40

same to the Tax Collector or shall cause the Property Appraiser to certify the same on the tax roll to the Tax Collector for collection by the Tax Collector and enforcement by the Tax Collector or the District pursuant to the Act, Chapter 170 or Chapter 197, Florida Statutes, or any successor statutes, as applicable, and 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 District shall be satisfied that any such Special Assessment is so irregular or defective that the same cannot be enforced or collected, or if the District shall have omitted to make such Special Assessment when it might have done so, the District shall either (i) take all necessary steps to cause a new Special Assessment to be made for the whole or any part of said improvement or against any property benefited by said improvement, or (ii) in its sole discretion, make up the amount of such Special Assessment from any legally available moneys, which moneys shall be deposited into the applicable Series Account in the Revenue Fund. In case such second Special Assessment shall be annulled, the District shall obtain and make other Special Assessments until a valid Special Assessment shall be made.

Section 9.04 Method of Collection. Unless otherwise provided in the applicable Supplemental Indenture, Special Assessments shall be collected by the District 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 District 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 District 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 District 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 District 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 District is legally prevented from collecting Special Assessments pursuant to the Uniform Method, it 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 District 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 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

42

## ARTICLE IX COVENANTS OF THE DISTRICT

Section 9.01 Power to Issue Bonds and Create Lien. The District 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 District in accordance with their respective terms. The District 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 District 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 DISTRICT, 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 DISTRICT 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 DISTRICT, THE COUNTY, THE STATE OR ANY OTHER POLITICAL SUBDIVISION THEREOF, OR AS OBLIGATING THE DISTRICT, THE COUNTY, THE STATE OR ANY OF ITS POLITICAL SUBDIVISIONS, DIRECTLY OR INDIRECTLY OR CONTINGENTLY, TO LEVY OR TO PLEDGE ANY FORM OF TAXATION WHATEVER THEREFOR.

### Section 9.03 Special Assessments; Re-Assessments.

(a) The District shall levy Special Assessments, and, unless the District collects the Special Assessments directly under the conditions set forth herein, evidence and certify the

41

delinquency of any Special Assessment the District shall, in accordance with the provisions of the applicable Supplemental Indenture, 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 District, to the extent the District 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 District 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 District, 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 District 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 District, it shall give written notice thereof to such Trustee. The District, either through its own actions or actions caused to be done through the Trustee, agrees that it shall be required to take the measure provided by law for 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 District shall so elect, the District 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 District pursuant to the provisions of Section 9.15 hereof, the District shall keep books and records for the collection of the Special Assessments on the District Lands, which such books, records and accounts shall be kept separate and apart from all other books, records and accounts of the District. 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

43

collections and cure delinquencies and an estimate of time for the conclusion of such legal proceedings.

Section 9.08 Deposit of Special Assessments. The District covenants to cause all amounts collected or otherwise received by it with respect to the Special Assessments 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 Prepayment Principal shall be designated by the District 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 District 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 District or other appropriate entity in fee simple, (ii) lands on, over or under which the District 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 District 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 District shall establish and enforce reasonable rules and regulations governing the use of the Project owned by the District, and the operation thereof, such rules and regulations to be adopted in accordance with the Act, and the District shall operate, use and maintain the Project owned by the District in accordance with the Act and all other applicable federal and State laws, rules and regulations; the District shall maintain and operate the Project owned by the District 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 District 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 District shall duly observe and comply with all valid requirements of any municipal or governmental authority relative to each Project. The District 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 District will carry or cause to be carried, in respect of each Project, comprehensive general liability insurance (covering bodily injury and property damage) issued by one or more insurance companies authorized and qualified to do business under the laws of the State, in such amounts as is customary for similar operations, or as is more specifically set forth below.

(b) At all times, to the extent commercially available, the District shall maintain a practical insurance program, with reasonable terms, conditions, provisions and costs which the

44

the balance thereof remaining shall be deposited to the credit of the related Series Account in the Revenue Fund.

(d) The District 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 District has a material interest or of which the District has control, either singly or with others.

Prior to participation in any plan of Qualified Self Insurance not currently in effect, the District 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 District 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 District 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 District at all reasonable times to the inspection of the Holders of the Bonds and their agents and representatives duly authorized in writing. The District 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 District 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 related Supplemental Indenture and no contract or contracts shall be entered into or any action taken by the District 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 District 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 District,

46

District Manager determines will afford adequate protection against loss caused by damage to or destruction of any component of any Project owned by the District. Limits for such coverage will be subject to the Consulting Engineer's recommendations. The District 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 District 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 District, may secure such insurance protection as the District determines to be in its best interests and otherwise consistent with this Master Indenture and any Supplemental Indenture; provided further, however, that the District 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 District as the loss-payee and shall be made payable to the District.

(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 District as security for the related Series of Bonds and shall be deposited at the option of the District, 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 District 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 District 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 District may desire), (B) an opinion from the Consulting Engineer that the Project can be repaired, rebuilt, replaced or restored within two (2) years following the damage, destruction or condemnation thereof and (C) an opinion of the Consulting Engineer that, in each of the three (3) Fiscal Years following completion of such repair, rebuilding, replacement or restoration, the District 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 District 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,

45

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 District covenants that all the accounts and records of the District 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 District 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 District 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 District 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 District 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 District may at any time adopt an amended or supplemental Annual Budget for the remainder of the current Fiscal Year, and when such amended or supplemental Annual Budget is approved it shall be treated as the official Annual Budget under this Master Indenture and any Supplemental Indenture. Copies of such amended or supplemental Annual Budget shall be mailed by the District 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 District 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 District 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 District 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 District 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 upon request by the District Manager to the Consulting Engineer and to all Bondholders who shall have filed their names and addresses with the District Manager for such purpose.

Section 9.21 Reserved.

47

Section 9.22 Covenant Against Sale or Encumbrance; Exceptions. The District covenants that, (a) except for those improvements comprising any Project that are to be conveyed by the District 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 District 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 District 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 District 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 District 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 District shall not do or omit to do, or suffer to be done or omitted to be done, any matter or thing whatsoever whereby the lien of the Bonds on the Pledged Revenues or any part thereof, or the priority thereof, would be lost or impaired; provided, however, that this Section shall not prohibit the Trustee from transferring moneys to the Rebate Fund held by the Trustee under any arbitrage rebate agreement.

Section 9.24 Compliance With Other Contracts and Agreements. The District shall comply with and abide by all of the terms and conditions of any and all contracts and agreements which the District 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 District 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 District 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 thereof by purchasing or funding or in any manner keeping alive any such claim for

48

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 District 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]

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 District, 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 District 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 District 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 District 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. Notwithstanding the foregoing, nothing in this Indenture shall be construed as a pledge of the full faith and credit of the District or a general obligation of the District, all obligations of the District under this Indenture shall be payable solely from the Pledged Revenues, and the District is not required to impose additional assessments, taxes, or other similar amounts to cover any amounts that may be declared due and owing in the event that the Bonds are deemed taxable.

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 District shall maintain its corporate existence as a local unit of special-purpose government under the Act and shall provide for or otherwise require all Projects, and all parts thereof owned by the District to be (a) continuously operated, repaired, improved and maintained as shall be necessary to provide adequate service to the lands benefited thereby; and (b) in compliance with all valid and applicable laws, acts, rules, regulations, permits, orders, requirements and directions of any competent public authority.

Section 9.30 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 provision of this Master Indenture and any Supplemental Indenture, failure of the District 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

49

## 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 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 the applicable Series of 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, sequester 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 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 District 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 District shall commence such performance within such sixty (60) day period and shall diligently and continuously prosecute the same to completion; or
- (f) written notice shall have been received by the Trustee from a Credit Facility Issuer securing Bonds of such Series that an event of default has occurred under the Credit Facility Agreement, or there shall have been a failure by said Credit Facility Issuer to make said Credit Facility available or to reinstate the interest component of said Credit Facility in accordance with the terms of said Credit Facility, to the extent said notice or failure is established as an event of default under the terms of a Supplemental Indenture; or

(g) if at any time the amount in the Reserve Account in the Debt Service Reserve Fund established for such Series is less than the Debt Service Reserve Requirement as a result of the Trustee withdrawing an amount therefrom to satisfy the Debt Service Requirement on the Bonds of such Series and such amount has not been restored within ninety (90) days of such withdrawal; or

(h) if on an Interest Payment Date the amount in any 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 the Bonds of such Series on such Interest Payment Date (without regard to any amount available for such purpose in the applicable Debt Service Reserve Account); or

(i) if, at any time after eighteen months following issuance of the Series of Bonds, more than twenty percent (20%) of the "maintenance special assessments" levied by the District on the District Lands upon which the Special Assessments are levied to secure one or more Series of Bonds pursuant to Section 190.021(3), Florida Statutes, as amended, and collected directly by the District have become due and payable and have not been paid within ninety (90) days of the date when due.

The Trustee shall not be required to rely on any official action, admission or declaration by the District before recognizing that an Event of Default under (c) above has occurred. Furthermore, an Event of Default with respect to a particular Series of Bonds shall not be an Event of Default as to any other Series of Bonds, unless otherwise provided in a Supplemental Indenture.

**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 capacity as Trustee:

(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 District 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 District to account as if it were the trustee of an express trust for the Holders of the Bonds of such Series;

52

(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 due and payable, to the payment of principal or Redemption Price (as the case may be) and interest then 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 District 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 District 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.

54

(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 District, 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.

**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:

**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 for 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.

[END OF ARTICLE X]

55

**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. In case any Event of Default has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it by this Master Indenture, and use the same degree of care and skill in their exercise, as a reasonably prudent man would exercise or use under the circumstances in the conduct of his own affairs.

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 District 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

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 District 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 District; 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 District 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 District 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 District, 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 District. A photographic copy of any instrument or instruments filed with the District under the provisions of this paragraph, duly certified by a Responsible Officer, shall be delivered promptly by the District to the Trustee and to any Paying Agent, Registrar and Credit Facility Issuer, if any.

The Trustee may also be removed at any time for any breach of trust or for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any provision of this Master Indenture or any Supplemental Indenture with respect to the duties and obligations of the

58

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 District 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 and also to the extent of the limitations on liability provided under Section 768.28, Florida Statutes or other applicable 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 District 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 District 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 or 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 District full information as to the performance of any covenant hereunder, and if information satisfactory to it is not forthcoming, the Trustee may make or cause to be made, at the expense of the District, an investigation into the affairs of the District.

Section 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.

Section 11.08 Reliance by Trustee. The Trustee may act on any requisition, resolution, notice, telegram, facsimile transmission, request, consent, waiver, certificate, statement, affidavit,

57

Trustee by any court of competent jurisdiction upon the application of the District 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 District 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 District an instrument accepting such appointment hereunder and thereupon, such successor Trustee, without any further act, deed, or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, duties and obligations of its predecessor in trust hereunder, with like effect as if originally named Trustee herein. 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 District shall execute and deliver an instrument or instruments prepared by the District transferring to the successor Trustee all the estates, properties, rights, powers and trusts hereunder of the predecessor Trustee, except for its rights under Section 11.04 hereof.

Section 11.16 Merger of Trustee. Any corporation 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 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.

59



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 District, 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 District by filing with the Paying Agent or Registrar to be removed, and with the Trustee, an instrument or instruments in writing executed by the District appointing a successor, or an instrument or instruments in writing designating, and accompanied by an instrument or appointment by the District 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 District 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 District; and in case at any time the Paying Agent or Registrar shall resign, then a successor shall be appointed by the District. After any such appointment, notice of such appointment shall be given by the District to the predecessor Paying Agent or Registrar, the successor Paying Agent or Registrar, the Trustee, the Credit Facility Issuer, if any, any rating agency that shall then have in effect a rating on any of the Bonds, and all Bondholders. Any new Paying Agent or Registrar so appointed shall immediately, and without further act, supersede the predecessor Paying Agent or Registrar.

Section 11.21 Qualifications of Successor Paying Agent or Registrar. Every successor Paying Agent or Registrar (a) shall be a commercial bank or trust company (i) duly organized under the laws of the United States or any state or territory thereof, (i) authorized by law to perform all the duties imposed upon it by this Master Indenture and all Supplemental Indentures and (iii) capable of meeting its obligations hereunder, and (b) shall have a combined net capital and surplus of at least \$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 District, 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 District, any rating agency that shall then have in effect 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 District 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.

Section 11.25 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 District specifically waives receipt of such confirmations to the extent permitted by law. The Trustee will furnish the District periodic cash transaction statements that include detail for all investment transactions made by the Trustee hereunder.

Section 11.26 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.

[END OF ARTICLE XI]

**ARTICLE XII  
ACTS OF BONDHOLDERS; EVIDENCE OF OWNERSHIP OF BONDS**

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

[END OF ARTICLE XII]

**ARTICLE XIII  
AMENDMENTS AND SUPPLEMENTS**

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

- (a) to add additional covenants of the District or to surrender any right or power herein conferred upon the District;
- (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 District 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 District, 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 and affected thereby 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

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 District, that such supplemental indenture or amendment is so permitted and has been duly authorized by the District 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]

64

any cash remaining on deposit with the Escrow Agent, will be sufficient without reinvestment to pay the remaining principal of, redemption premium, if any, and interest on such defeased Bonds 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 District, if the District 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 District; and the Owners of the Bonds for which the deposit was made shall thereafter be limited to a claim against the District; provided, however, that the Escrow Agent, before making payment to the District, shall, if so directed by the District, at the expense of the District, cause a notice to be published in an Authorized Newspaper, stating that the money remaining unclaimed will be returned to the District after a specified date.

[END OF ARTICLE XIV]

66

#### 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 District (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 District (including the fees and expenses of the Trustee), 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 District, 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 District and shall turn over to the District 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 District 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 District 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 District 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

65

#### 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 District, officer, employee or agent, past, present or future, of the District or of any successor body as such, either directly or through the District 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 District 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 publication 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 District 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:

67

(a) As to the District -

Liberty Cove Community Development District  
c/o District Manager  
Wrathell Hunt & Associates, LLC  
2300 Glades Rd., Ste. # 410W  
Boca Raton, FL 33431  
Phone: 561.571.0010

(b) As to the Trustee -

U.S. Bank Trust Company, National Association  
500 West Cypress Creek Road, #460  
Fort Lauderdale, FL 33309  
Phone: 954-938-2471

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 District, 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 District by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, provided, however, that the District 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 District 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 District 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 without regard to conflict of law principles.

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 District 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.

IN WITNESS WHEREOF, Liberty Cove Community Development District has caused this Master Indenture to be executed by the [Vice] Chair of its Board and its corporate seal to be hereunto affixed, attested by the [Assistant] Secretary of its Board and U.S. Bank Trust Company, National Association has caused this Master Indenture to be executed by one of its authorized signatories, all as of the day and year first above written.

LIBERTY COVE COMMUNITY  
DEVELOPMENT DISTRICT

Attest:

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: [Vice] Chair, Board of Supervisors

By \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: [Assistant] Secretary, Board of Supervisors

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

By: \_\_\_\_\_  
Title: Vice President

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

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

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

[Remainder of page intentionally left blank]

**EXHIBIT A**

**LIBERTY COVE COMMUNITY DEVELOPMENT DISTRICT**

**(Acquisition and Construction Fund Requisition)**

The undersigned, a Responsible Officer of the Liberty Cove 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 \_\_\_\_ 1, 2024, 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 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.

LIBERTY COVE 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.

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\_\_\_\_\_  
Consulting Engineer

**TABLE OF CONTENTS**

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

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

**ARTICLE II AUTHORIZATION, ISSUANCE AND PROVISIONS OF SERIES 2024 BONDS**.....8  
 Section 201. Authorization of Series 2024 Bonds; Book-Entry Only Form .....8  
 Section 202. Terms of Series 2024 Bonds .....9  
 Section 203. Dating; Interest Accrual .....9  
 Section 204. Denominations .....10  
 Section 205. Paying Agent .....10  
 Section 206. Bond Registrar .....10  
 Section 207. Conditions Precedent to Issuance of Series 2024 Bonds .....10  
 Section 208. Continuing Disclosure .....11

**ARTICLE III REDEMPTION AND PURCHASE OF SERIES 2024 BONDS** .....11

**ARTICLE IV DEPOSIT OF SERIES 2024 BOND PROCEEDS AND APPLICATION THEREOF;  
 ESTABLISHMENT OF ACCOUNTS AND OPERATION THEREOF** .....11  
 Section 401. Establishment of Accounts .....11  
 Section 402. Use of Series 2024 Bond Proceeds .....12  
 Section 403. 2024 Acquisition and Construction Account .....12  
 Section 404. Costs of Issuance Account .....13  
 Section 405. 2024 Reserve Account .....13  
 Section 406. Application of Prepayment Principal; 2024 Prepayment Account .....15  
 Section 407. Tax Covenants and Rebate Account .....15  
 Section 408. Establishment of 2024 Revenue Account in Revenue Fund;  
 Application of Series 2024 Accounts and Investment Earnings .....16

**ARTICLE V CONCERNING THE TRUSTEE**.....18  
 Section 501. Acceptance by Trustee .....18  
 Section 502. Limitation of Trustee’s Responsibility .....18  
 Section 503. Trustee’s Duties .....18

**ARTICLE VI ADDITIONAL COVENANTS AND AGREEMENTS OF THE DISTRICT** .....18  
 Section 601. Additional Covenant Regarding Series 2024 Assessments .....18  
 Section 602. Limitation on Additional Debt .....18  
 Section 603. Additional Matters Relating to Delinquent Assessments .....19  
 Section 604. Additional Matters Relating to Series 2024 Assessments and  
 Assessment Proceedings .....20  
 Section 605. Provisions relating to Bankruptcy or Insolvency of Landowner .....20  
 Section 606. Assignment of Collateral Assignment .....22

**FIRST SUPPLEMENTAL TRUST INDENTURE  
 BETWEEN  
 LIBERTY COVE COMMUNITY DEVELOPMENT DISTRICT  
 AND  
 U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION  
 AS TRUSTEE**

Dated as of July 1, 2024

Section 607. Enforcement of True-Up Agreement and Completion Agreement.....22

**ARTICLE VII MISCELLANEOUS** .....22  
 Section 701. Confirmation of Master Indenture .....22  
 Section 702. Appendices and Exhibits .....23  
 Section 703. Third Party Beneficiaries .....23

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

**FIRST SUPPLEMENTAL TRUST INDENTURE**

THIS **FIRST SUPPLEMENTAL TRUST INDENTURE** (the “First Supplemental Indenture”) dated as of July 1, 2024, from **LIBERTY COVE COMMUNITY DEVELOPMENT DISTRICT** (the “District”), a local unit of special-purpose government organized and existing under the laws of the State of Florida, to **U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION**, as trustee (the “Trustee”), a national banking association duly organized and existing under the laws of the United States of America authorized to accept and execute trusts of the character herein set out within the State of Florida (said bank association and any bank or trust company becoming successor trustee under this First Supplemental Indenture being hereinafter referred to as the “Trustee”). All capitalized terms not otherwise defined herein shall have the meaning ascribed thereto in the Master Indenture (hereinafter defined).

**WHEREAS**, the District 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. 2021-10 of Nassau County, Florida, effective July 2, 2021, as amended by Ordinance No. 2024-012 effective April 22, 2024 (as amended, the “Ordinance”), 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 District; and

**WHEREAS**, the District is authorized by Section 190.016(8) of the Act and the Ordinance to issue its revenue bonds for the purpose of acquiring and constructing assessable improvements, all as provided in the Act and the Ordinance; and

**WHEREAS**, the District is entering into a Master Trust Indenture dated as of July 1, 2024 (the “Master Indenture”), with the Trustee to secure the issuance of its Liberty Cove Community Development District Special Assessment Revenue Bonds (the “Bonds”), issuable in one or more Series from time to time; and

**WHEREAS**, pursuant to Resolution 2021-28 adopted by the Board on August 18, 2021 (the “Bond Resolution”), the District has authorized the issuance of its not exceeding \$28,000,000 Liberty Cove 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**, the Bonds were validated by the Circuit Court of the Fourth Judicial Circuit of the State of Florida in and for Nassau County, Florida in a final judgment rendered on October 20, 2021 and the appeal period from such final judgment has expired with no appeal being taken; and

**WHEREAS**, the Board has duly adopted Resolutions 20[ ] - , 20[ ] - , and 20[ ] - ] pursuant to Sections 170.03, 170.07 and 170.08, Florida Statutes, defining assessable property to be benefited by the District’s Capital Improvement Program (“CIP”), defining the portion of the Cost of the Capital Improvement Program to be financed with the proceeds of the Bonds, including the Series 2024 Bonds (such portion of the CIP to be financed with the Series 2024 Bonds,

hereinafter the "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 propriety and advisability of undertaking the Capital Improvement Program, including the Assessment Area One Project, as to the cost thereof, the manner of payment thereof, and the amount to be assessed against each property improved by the Capital Improvement Program, including the 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 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 maximum lien for 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-[ ] adopted by the Board on [June 14], 2024 (the "Series Bond Resolution") the District has authorized the issuance, sale and delivery of its \$[ ] Liberty Cove Community Development District Special Assessment Revenue Bonds, Series 2024 (Assessment Area One Project) (the "Series 2024 Bonds") as a Series of Bonds under the Master Indenture and authorized the execution and delivery of this First 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 Assessment Area One Project, which 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 First 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 First Supplemental Indenture a valid and binding agreement and, together with the Master Indenture, a valid and binding lien on the 2024 Pledged Revenues (as hereinafter defined) have been done.

**NOW THEREFORE, KNOW ALL MEN BY THESE PRESENTS, THIS FIRST 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

covenant, with the Trustee and with the respective Owners, from time to time, of the Series 2024 Bonds, as follows:

**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 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.

"Authorized Denomination" shall mean, with respect to the Series 2024 Bonds, on the date of issuance, in the denominations of \$5,000 and any integral multiple thereof, provided, however, if any initial Beneficial Owner of Series 2024 Bonds does not purchase at least \$100,000 of the Series 2024 Bonds at the time of initial delivery of the Series 2024 Bonds, such Beneficial Owner must execute and deliver to the District and the Underwriter on the date of delivery of the Series 2024 Bonds the investor letter in the form satisfactory to the District or otherwise establish to the satisfaction of the Underwriter that such Beneficial Owner is an "accredited investor," as described in Rule 501(a) under Regulation D of the Securities Act of 1933, as amended.

"Beneficial 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.

the District of all the covenants, expressed or implied in the Master Indenture, in this First Supplemental Indenture and in the Series 2024 Bonds: (a) has executed and delivered this First Supplemental Indenture and (b) does hereby, 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, 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 for 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 and all amounts in the Funds and Accounts (except for the 2024 Rebate Account and the 2024 Costs of Issuance Account) established hereby (collectively the "2024 Pledged Revenues") which shall comprise the Pledged Revenues 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 First 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 First Supplemental Indenture and the interest due or to become due thereon, at the times and in the manner mentioned in the Series 2024 Bonds and this First Supplemental Indenture, according to the true intent and meaning thereof, and shall well and truly keep, perform and observe all the covenants and conditions pursuant to the terms of the Master Indenture and this First Supplemental Indenture to be kept, performed and observed by it, and shall pay or cause to be paid to the Trustee all sums of money due or to become due to it in accordance with the terms and provision of the Master Indenture and this First Supplemental Indenture, then upon such final payments, this First Supplemental Indenture and the rights hereby granted shall cease and terminate, with respect to all Series 2024 Bonds or any Series 2024 Bond of a particular maturity, otherwise this First Supplemental Indenture shall remain in full force and effect;

**THIS FIRST SUPPLEMENTAL INDENTURE FURTHER WITNESSETH**, and it is expressly declared, that all Series 2024 Bonds issued and secured hereunder are to be issued, authenticated and delivered and all of the rights and property pledged to the payment thereof are to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as in the Master Indenture (except as amended directly or by implication by this First Supplemental Indenture), including this First Supplemental Indenture, expressed, and the District has agreed and covenanted, and does hereby agree and

"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.

"Capital Improvement Program" or "CIP" shall mean the improvement program described in the Liberty Cove Community Development District Capital Improvement Plan, dated September 23, 2021, prepared by Prosser, Inc., as supplemented by the First Supplemental Engineer's Report dated March 11, 2024 and prepared by Connelly & Wicker Inc., as District Engineer, and adopted by the District, setting forth the public infrastructure improvements to be constructed by the District, as may be further amended and supplemented from time to time with the approval of the District.

"Collateral Assignment" shall mean the Collateral Assignment and Assumption of Development Rights related to the Assessment Area One Project and dated the initial delivery date of the Series 2024 Bonds, between the District and the Developer, as amended from time to time.

"Completion Agreement" shall mean the Completion Agreement by and between the Developer and the District the initial delivery date of the Series 2024 Bonds.

"Continuing Disclosure Agreement" shall mean the 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.

"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 [Liberty Cove Nassau LLC], a Florida 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 Capital Improvement Program and/or the operation and maintenance activities 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 Condition #1” 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 developed, platted and conveyed to homebuilders (as certified by the District Manager to the Trustee in writing, and the Trustee may rely conclusively upon such certifications and shall have no duty to verify the same), and (ii) there shall be no Events of Default under the Indenture with respect to the Series 2024 Bonds.

“Reserve Account Release Condition #2” 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.

“Reserve Account Release Conditions” shall mean Reserve Account Release Condition #1 and Reserve Account Release Condition #2.

“Series 2024 Assessments” shall mean the Special Assessments levied against properties within the District specially benefited by the Assessment Area One Project corresponding to debt service on the Series 2024 Bonds and designated as such in the Assessment Proceedings. The Series 2024 Assessments shall not include Operation and Maintenance Assessments or other “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” shall mean the date on which 90% of the Series 2024 Assessments are levied on tax parcels within the District with respect to which a certificate of occupancy has been issued for a structure thereon.

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

“True-Up Agreement” shall mean the True-Up Agreement between the District and the Developer, dated the initial delivery date of the Series 2024 Bonds.

6

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). The 2024 Reserve Account Requirement is initially \$[\_\_\_\_\_].

“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 First 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 First Supplemental Indenture.

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

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

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

## 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 First 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. 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 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

8

“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 First 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 First 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 First 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 First Supplemental Indenture.

“2024 Pledged Revenues” shall mean (a) all revenues received by the District from the Series 2024 Assessments levied and collected on all or a portion of the District Lands with respect to the Assessment Area One Project or portion thereof financed by the Series 2024 Bonds, including, without limitation, amounts received from any foreclosure proceeding for the enforcement of collection of such Series 2024 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 this First Supplemental Indenture for the Series 2024 Bonds; provided, however, that Pledged Revenues shall not include any moneys transferred to the Rebate Fund (or investment earnings thereon) or amounts in the 2024 Costs of Issuance Account.

“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 First Supplemental Indenture.

“2024 Rebate Account” shall mean the Account so designated, established pursuant to Section 4.07 of this First 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 First Supplemental Indenture.

“2024 Reserve Account Requirement” shall mean, as the Debt Service Reserve Requirement with respect to the Series 2024 Bonds, initially, an amount equal to the maximum annual Debt Service Requirements with respect to the Series 2024 Bonds, as determined from time to time on the date of any such calculation. Upon satisfaction of 2024 Reserve Account Release Condition #1, the 2024 Reserve Account Requirement shall be reduced to 50% of the maximum annual Debt Service Requirements of the then Outstanding Series 2024 Bonds. Upon satisfaction of 2024 Reserve Account Release Condition #2, the 2024 Reserve Account Requirement shall be further reduced to 10% of the maximum annual Debt Service Requirement of the then Outstanding Series 2024 Bonds. Satisfaction of 2024 Reserve Account Release Condition #1 or 2024 Reserve Account Release Condition #2 shall be evidenced by a written certificate of the District Manager in substantially the form attached hereto and delivered to the Trustee, upon which the Trustee may conclusively rely. The 2024 Reserve Account Requirement shall be re-calculated upon the

7

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 payment 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 First Supplemental Indenture shall refer to such new Nominee of DTC; and upon receipt of such a notice the District shall promptly deliver a copy of the same to the Trustee, 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 and of the Master Indenture.

Section 202. Terms of Series 2024 Bonds. The Series 2024 Bonds shall be issued as [three (3)] 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[\_\_\_\_]

Section 203. Dating; Interest Accrual. Each Series 2024 Bond upon initial issuance shall be dated July [\_\_\_\_], 2024. Each Series 2024 Bond shall also bear its date of authentication. Each

9

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 First 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 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 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

10

- (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;

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

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

Section 402. Use of Series 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, \$[ ] (par amount of Series 2024 Bonds less underwriter's discount of \$[ ] [plus/less] [net] original issue [premium/discount] 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. Additional moneys shall be deposited in the 2024 Acquisition and Construction Account from the 2024 Reserve Account as a result of the satisfaction of 2024 Reserve Account Release Condition #1 or 2024 Reserve Account Release Condition #2.

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 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 Assessment Area One Project or is properly payable hereunder.

12

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 First 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 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 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 Holder 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 First Supplemental Indenture. Notice of redemption shall be given as provided in Section 8.02 of the Master Indenture.

### 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

11

(b) Any balance remaining in the 2024 Acquisition and Construction Account after the Completion Date of the Assessment Area One Project and after retaining the amount, if any, of all remaining unpaid Costs of the 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 2024 Reserve Account Release Condition #2 has 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 Assessment Area One Project.

(d) In accordance with the provisions of the Indenture, the Series 2024 Bonds are payable solely from the 2024 Pledged Revenues. The District acknowledges hereby that (i) the 2024 Pledged Revenues includes, without limitation, all amounts on deposit in the 2024 Acquisition and Construction Account then held by the Trustee, (ii) upon the occurrence of an Event of Default with respect to the Series 2024 Bonds, the 2024 Pledged Revenues may not be used by the District (whether to pay costs of the 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 Assessment Area One Project and payment is for such work and (iii) the 2024 Pledged Revenues 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 Assessment Area One Project after the occurrence of an Event of Default unless authorized in writing by the Majority Owners or by the Trustee with the direction and consent of 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 to the Trustee a pending requisition, shall be transferred over and deposited into the 2024 Acquisition and Construction Account and used for the purposes permitted therefor and the 2024 Costs 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 First 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.

13



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 Subaccount 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.

Any excess in the 2024 Reserve Account as a result of satisfaction of 2024 Reserve Account Release Condition #1 or 2024 Reserve Account Release Condition #2, as evidenced by a written certificate of the District Manager delivered to the District and the Trustee stating that the 2024 Reserve Account Release Conditions have been satisfied and setting forth the amount of the new 2024 Reserve Requirement (upon which certificate the Trustee may conclusively rely), shall be deposited to the 2024 Acquisition and Construction Account.

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.

Provided no deficiency exists in the 2024 Reserve Account, all earnings on investments in the 2024 Reserve Account shall be deposited (i) prior to the Completion Date of the Assessment Area One Project to the 2024 Acquisition and Construction Account, and (ii) after the Completion Date of the Assessment Area One Project to the 2024 Revenue Account. If a deficiency exists in the 2024 Reserve Account earnings shall be deposited in the 2024 Reserve Account until the deficiency is cured. Such Account shall consist only of cash and Investment Securities.

Subject to the provisions of Section 4.06 hereof, on any date the District or the District Manager, on behalf of the District, receives notice that a landowner wishes to prepay its Series 2024 Assessments relating to the benefited property of such landowner within the District, or as a result of a mandatory true-up payment (a "Prepayment"), the District shall cause the District Manager, on behalf of the District, to calculate the principal amount of such Prepayment taking into account a credit against the amount of the Prepayment Principal due by the amount of money in the 2024 Reserve Account that will be in excess of the 2024 Reserve Account Requirement as a result of the proposed Prepayment. Such excess in the 2024 Reserve Account shall be transferred by the Trustee to the 2024 Prepayment Account as a result of such Prepayment. The District Manager, on behalf of the District, shall make such calculation within ten (10) Business Days after receiving notice of such Prepayment and shall instruct the Trustee in writing to transfer such amount of credit given to the landowner from the 2024 Reserve Account to the 2024 Prepayment Account to be used for the extraordinary mandatory redemption of the Series 2024 Bonds. The Trustee is authorized to make such transfers and has no duty to verify such calculations.

14

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 greater than zero, shall transfer, but only if all of the deposits required under this Section 408 have or can be made to the next succeeding Interest Payment Date, for deposit into such Prepayment Account, an amount sufficient to increase the amount on deposit therein to the next integral multiple of \$5,000,

16

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.

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 Series 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 Series 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 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.

15

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 Series 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 605 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 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 Costs of Issuance Account shall be retained

17

as realized, in such Funds and 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 First Supplemental Indenture and agrees to perform such trusts upon the terms and conditions set forth in the Master Indenture as modified by this First Supplemental Indenture.

Section 502. Limitation of Trustee's Responsibility. The Trustee shall not be responsible in any manner for the due execution of this First Supplemental Indenture by the District or for the recitals contained herein, all of which are made solely by the District.

Section 503. Trustee's Duties. Nothing contained herein shall limit the rights, benefits, privileges, protection and entitlements inuring to the Trustee under the Master Indenture, including, particularly, Article XI thereof, all of which shall apply to the actions of the Trustee under this First Supplemental Indenture.

#### ARTICLE VI ADDITIONAL COVENANTS AND AGREEMENTS OF THE DISTRICT

Section 601. Additional Covenant Regarding Series 2024 Assessments. In addition, and not in limitation of, the covenants contained elsewhere in this First Supplemental Indenture and in the Master Indenture, the District covenants to comply with the terms of the proceedings heretofore adopted with respect to the Series 2024 Assessments, including the assessment methodology, prepared by Wrathell Hunt & Associates, LLC (the "Report"), and to levy the Series 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 using 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 602. 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 Pledged Revenues. In addition, the District covenants not to issue any other Bonds or other debt obligations secured by Special Assessments for any capital project on assessable lands which are also encumbered by

18

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 one hundred twenty (120) 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) unless some other alternative resolution to such proceedings is agreed to with the Trustee and the Majority Owners' consent, 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 604. 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 as delinquent direct billed Operation and Maintenance Assessments, all in a manner consistent with the Master Indenture and this First Supplemental 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.

Section 605. Provisions relating to Bankruptcy or Insolvency of Landowner.

(a) The provisions of this Section 605 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 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

20

the Series 2024 Assessments 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, and provided that the foregoing shall not preclude the imposition of Operation and Maintenance 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 that the Series 2024 Assessments have not been Substantially Absorbed.

Section 603. 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 Bonds 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 or by credit bidding any final foreclosure judgment 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 and the District, in its proportionate share, to the extent that Operation and Maintenance Assessments were also subject to the foreclosure resulting in such foreclosure sale. The District, either through its own actions, or actions caused to be taken by the District through the Trustee (acting at the written direction of the Majority Owners of the Series 2024 Bonds Outstanding), 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 (less the proportionate amount the District may be due from foreclosure of any Operation and Maintenance Assessments). 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

19

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, or the Trustee on behalf of the same, 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, or the Trustee on behalf of the same, 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 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

21

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 606. Assignment of Collateral Assignment.

The District hereby assigns its rights under the Collateral Assignment to the Trustee for the benefit of the Owners, from time to time, of the Series 2024 Bonds. Such assignment shall not be considered an assumption by the Trustee of any obligations thereunder.

Section 607. Enforcement of True-Up Agreement and Completion Agreement. The District, either through its own actions, or actions caused to be taken through the Trustee, covenants that it shall strictly enforce all of the provisions of the Completion Agreement and the True-Up Agreement, and, upon the occurrence and continuance of a default under such agreements, the District covenants and agrees that the Trustee, at the written direction of the Majority Owners of the Series 2024 Bonds shall, subject to the Trustee's rights under Articles X and XI of the Master Indenture, act on behalf of, and in the District's stead, to enforce the provisions of such agreements and to pursue all available remedies under applicable law or in equity. Anything herein or in the Master Indenture to the contrary notwithstanding, failure of the District to enforce, or permit the Trustee to enforce in its stead, all of the provisions of the Completion Agreement and the True-Up Agreement upon demand of the Majority Owners of the Series 2024 Bonds, or the Trustee at the written direction of the Majority Owners of the Series 2024 Bonds, shall constitute an Event of Default under the Indenture without benefit of any period for cure.

**ARTICLE VII  
MISCELLANEOUS**

Section 701. Confirmation of Master Indenture. As supplemented by this First Supplemental Indenture, the Master Indenture is in all respect ratified and confirmed, and this First Supplemental Indenture shall be read, taken and construed as a part of the Master Indenture so that all of the rights, remedies, terms, conditions, covenants and agreements of the Master Indenture, except insofar as modified herein, shall apply and remain in full force and effect with respect to this First Supplemental Indenture and to the Series 2024 Bonds issued hereunder. To the extent of any conflicts between the terms and provisions of the Master Indenture and this First Supplemental Indenture the terms and provisions hereof shall control.

IN WITNESS WHEREOF, Liberty Cove Community Development District has caused these presents to be signed in its name and on its behalf by its [Vice] Chair, and its official seal to be hereunto affixed and attested by its [Assistant] Secretary, thereunto duly authorized, and to evidence its acceptance of the trusts hereby created, the Trustee has caused these presents to be signed in its name and on its behalf by its duly authorized signatory.

**LIBERTY COVE COMMUNITY  
DEVELOPMENT DISTRICT**

[SEAL]

By: \_\_\_\_\_  
[Vice] Chair, Board of Supervisors

ATTEST:

By: \_\_\_\_\_  
[Assistant] Secretary

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

By: \_\_\_\_\_  
Vice President

Section 702. 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 703. Third Party Beneficiaries. This First 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.

**EXHIBIT A**

No. 2024R- \_\_\_\_\_ \$ \_\_\_\_\_

United States of America  
State of Florida  
LIBERTY COVE COMMUNITY DEVELOPMENT DISTRICT  
SPECIAL ASSESSMENT REVENUE BOND, SERIES 2024  
(ASSESSMENT AREA ONE PROJECT)

Interest Rate	Maturity Date	Dated Date	CUSIP
____%	May 1, ____	July __, 2024	_____

Registered Owner: CEDE & CO.

Principal Amount: \_\_\_\_\_ MILLION \_\_\_\_\_ HUNDRED \_\_\_\_\_ THOUSAND AND NO/100 DOLLARS

THE LIBERTY COVE 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.

LIBERTY COVE 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 (Assessment Area One Project)" (the "Series 2024 Bonds") issuable under and governed by the terms of a Master Trust Indenture, dated as of July 1, 2024 (the "Master Indenture"), between the District and U.S. Bank Trust Company, National Association as trustee (the "Trustee"), as supplemented by a First Supplemental Trust Indenture, dated as of July 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 "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

A-2

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 10\_% 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 First Supplemental Indenture in satisfaction of applicable Amortization Installments at a Redemption Price of 10\_% 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>
20__	\$
20__ *	
* 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 First Supplemental Indenture in satisfaction of applicable Amortization Installments at a Redemption Price of 10\_% 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>
20__	\$
20__ *	
* 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 First Supplemental Indenture in satisfaction of applicable Amortization Installments at a Redemption Price of 10\_% of the principal amount thereof, without

A-4

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 Pledged Revenues, 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

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>
20__	\$
20__ *	
* 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 Completion Date of the 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.

A-5

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 given by Electronic Means or 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 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 Pledged Revenues 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.

A-6

IN WITNESS WHEREOF, Liberty Cove Community Development District has caused this Series 2024 Bond to bear the signature the [Vice] Chair of its Board of Supervisors and the official seal of the District to be impressed or imprinted hereon and attested by the signature of its [Assistant] Secretary.

LIBERTY COVE COMMUNITY DEVELOPMENT DISTRICT

By: \_\_\_\_\_  
[Vice] Chair, Board of Supervisors

[SEAL]

ATTEST:

By: \_\_\_\_\_  
[Assistant] Secretary

A-8

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

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 Registrar

By: \_\_\_\_\_  
Vice President

Date of Authentication: \_\_\_\_\_

A-9

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 Nassau County, Florida, rendered on October 20, 2021.

LIBERTY COVE COMMUNITY DEVELOPMENT DISTRICT

By: \_\_\_\_\_ [Vice] Chair, Board of Supervisors

[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 or 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-10

A-11

EXHIBIT B

FORM OF REQUISITION 2024 ACQUISITION AND CONSTRUCTION ACCOUNT

Liberty Cove Community Development District Nassau County, Florida

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

LIBERTY COVE COMMUNITY DEVELOPMENT DISTRICT SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2024 (Assessment Area One Project)

The undersigned, a Responsible Officer of the Liberty Cove 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, 2024, as supplemented by that certain First Supplemental Trust Indenture dated as of July 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;

- 3. each disbursement set forth above was incurred in connection with the Cost of the Assessment Area One Project;
4. each disbursement represents a Cost of the 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.

LIBERTY COVE COMMUNITY DEVELOPMENT DISTRICT

By: \_\_\_\_\_ Responsible Officer

Date: \_\_\_\_\_

The undersigned District Engineer hereby certifies that; (i) this disbursement is for the Cost of the 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 Assessment Area One Project improvements being acquired from the proceeds of the Series 2024 Bonds have been completed in accordance with the plans and specifications therefor; (iii) the 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 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 Assessment Area One Project improvements subject to this disbursement have been approved by all Regulatory Bodies required to approve them.

\_\_\_\_\_ District Engineer

**EXHIBIT C**

**DESCRIPTION OF ASSESSMENT AREA ONE PROJECT**

**THE 2024 PROJECT AS DESCRIBED IN  
THE LIBERTY CREEK COMMUNITY DEVELOPMENT DISTRICT IMPROVEMENT  
PLAN DATED SEPTEMBER 23, 2021, PREPARED BY PROSSER, INC., AS  
SUPPLEMENTED BY THE FIRST SUPPLEMENTAL ENGINEER'S REPORT DATED  
MARCH 11, 2024, PREPARED BY CONNELLY AND WICKER INC.,  
AND AS REVISED FROM TIME TO TIME.**

The 2024 Project or Assessment Area One Project are generally described and included in the Engineer's Report referred to above. Such improvements to be funded from the 2024 Acquisition and Construction Account shall consist of roadways, water management and control, water supply, wastewater management, electrical utilities, and landscape and hardscape improvements and other qualified public improvements.

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**APPENDIX C**

**PROPOSED FORM OF OPINION OF BOND COUNSEL**

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**Upon delivery of the Series 2024 Bonds in definitive form, Akerman LLP, Bond Counsel, proposes to render its opinion with respect to the Series 2024 Bonds in substantially the following form:**

(Closing Date)

Board of Supervisors  
Liberty Cove Community Development District

**RE: Liberty Cove Community Development District Special Assessment Revenue Bonds, Series 2024 (Assessment Area One Project) (the “Series 2024 Bonds”)**

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by Liberty Cove 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”), Resolution 2021-28 adopted by the Board of Supervisors of the District (the “Board”) on August 18, 2021, as supplemented (collectively, the “Resolution”), and a Master Trust Indenture dated as of July 1, 2024 (the “Master Indenture”), as supplemented by a First Supplemental Trust Indenture dated as of July 1, 2024 (together with the Master Indenture, the “Indenture”), each 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.

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.

We have also relied upon all findings in the final judgment rendered by the Circuit Court of the Fourth Judicial Circuit in and for Nassau County, Florida, on October 20, 2021, which final judgment among other matters validated the Series 2024 Bonds. For purposes of this opinion, we have assumed the due authorization and execution of the Indenture by the Trustee and of the enforceability of the Indenture against the Trustee.

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 each constitutes a valid and binding obligation of the District. The Indenture creates the valid pledge which it purports to create of the 2024 Pledged Revenues 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 therefor 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 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 DISCLOSURE AGREEMENT**

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## CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (this “Disclosure Agreement”) dated \_\_\_\_\_, 2024 is executed and delivered by the Liberty Cove Community Development District (the “Issuer” or the “District”), Liberty Cove Nassau, LLC, a Florida limited liability company (the “Developer”), and Wrathell, Hunt & Associates, LLC, Boca Raton, Florida, as dissemination agent (together with its successors and assigns, the “Dissemination Agent”) in connection with the Issuer’s Special Assessment Revenue Bonds, Series 2024 (Assessment Area One Project) (the “Bonds”). The Bonds are secured pursuant to a Master Trust Indenture dated as of July 1, 2024 (the “Master Indenture”) and a First Supplemental Trust Indenture dated as of July 1, 2024 (the “First Supplemental Indenture” and, together with the Master Indenture, the “Indenture”), each entered into by and between the Issuer and U.S. Bank Trust Company, National Association, a national banking association duly organized and existing under the laws of the United States of America and having a designated corporate trust office initially 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 and the Developer have no reason to believe that this Disclosure Agreement does not satisfy the requirements of the Rule and the execution and delivery of this Disclosure Agreement is intended to comply with the Rule. To the extent it is later determined by a court of competent jurisdiction, a governmental regulatory agency, or an attorney specializing in federal securities law, that the Rule requires the Issuer or the Developer to provide additional information, the Issuer and the Developer, as applicable, each agrees to promptly provide such additional information.

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

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

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

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

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

“Assessments” shall mean the non-ad valorem Series 2024 Assessments, pledged to the payment of the Bonds, pursuant to the Indenture.

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

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

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

“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 constituting 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 9 hereof. Wrathell, Hunt & Associates, LLC, Boca Raton, Florida, has been designated as the initial Dissemination Agent hereunder.

“District Manager” shall mean Wrathell, Hunt & Associates, LLC, Boca Raton, Florida, 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 a debt obligation or any such derivative instrument; provided that “financial obligation” shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) 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 the final Limited Offering Memorandum dated \_\_\_\_\_, 2024 relating to 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 and its respective affiliates, successors or assigns (excluding homebuyers who are end users), for so long as either of the Developer or its respective affiliates, successors or assigns (excluding homebuyers who are end users) are the owner of District lands responsible for payment of at least 10% 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 February 1, 2025.

“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 currently 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 adopted by the SEC 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 one hundred eighty (180) days after 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, with the initial Annual Filing Date being March 29, 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 initial Audited Financial Statements Filing Date shall be June 30, 2025, which shall include the Audited Financial Statements for Fiscal Year ending September 30, 2024. The Issuer shall file unaudited financial statements if Audited Financial Statements are not ready by the Audited Financial Statements Filing Date, to be followed up with the Audited Financial Statements when available. The Issuer shall, or shall cause the Dissemination Agent to, provide to the Repository the components of an Annual Report which satisfies the requirements of Section 4(a) of this Disclosure Agreement within thirty (30) days after same becomes available, but in no event later than the Annual Filing Date or Audited Financial Statements Filing Date, if applicable. If the Issuer’s Fiscal Year changes, the Issuer shall give notice of such change in the same manner as for a Listed Event under Section 6.

(b) If on the fifteenth (15<sup>th</sup>) day prior to each Annual Filing Date or the Audited Financial Statements Filing Date, as applicable, the Dissemination Agent has not received a copy of the Annual Report or Audited Financial Statements, as applicable, the Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be via email) to remind the Issuer of its undertaking to provide the Annual Report or Audited Financial Statements, as applicable, pursuant to Section 3(a). Upon such reminder, the Disclosure Representative shall either (i) provide the Dissemination Agent with an electronic copy of the Annual Report or the Audited Financial Statements, as applicable, in accordance with Section 3(a) above, or (ii) advise the Dissemination Agent in writing that the Issuer will not be able to file the Annual Report or Audited Financial Statements, as applicable, within the times required under this Disclosure Agreement, state the date by which the Annual Report or the Audited Financial Statements for such year, as applicable, will be provided and instruct the Dissemination Agent that a Listed Event as described in Section 6(a)(xvii) has occurred and to immediately send a notice to the Repository in substantially the form attached hereto as Exhibit A.

(c) If the Dissemination Agent has not received an Annual Report by 12:00 noon on the first (1<sup>st</sup>) Business Day following the Annual Filing Date for the Annual Report or the Audited Financial Statements by 12:00 noon on the first (1<sup>st</sup>) Business Day following the Audited Financial Statements Filing Date for the Audited Financial Statements, then a Listed Event as described in Section 6(a)(xvii) shall have occurred and the Issuer irrevocably directs the Dissemination Agent to 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 and the Trustee stating that the Annual Report or Audited Financial Statements have 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 contain or incorporate by reference Annual Financial Information with respect to the Issuer, including the following:

(i) The amount of Assessments levied for the most recent prior Fiscal Year.

(ii) The amount of Assessments collected from the property owners during the most recent prior Fiscal Year.

(iii) If available from the County Tax Collector (as hereinafter defined), the amount of delinquencies 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 applicable Assessments due in any year, a list of delinquent property owners.

(iv) If available from the County Tax Collector, the amount of tax certificates sold, if any, and the balance, if any, remaining for sale from the most recent prior Fiscal Year.

(v) All fund balances in all Funds and Accounts for the Bonds. Upon request, the Issuer shall provide any Beneficial Owners and the Dissemination Agent with this information at least annually, and, in such cases, within thirty (30) days of such written request.

(vi) The total amount of Bonds Outstanding.

(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) If available from the County Tax Collector, and to the extent permitted under Florida Public Records Law, the certified tax roll for the current Fiscal Year (certified in the prior Fiscal Year) that contains the folio numbers, the Assessments to be levied in the then current Fiscal Year (both debt assessments and operation and maintenance assessments broken out separately), the assessed value associated with each folio, and the total assessed value for all the land within the District.

(b) To the extent any of the items set forth in subsections (i) through (vii) above are included in the Audited Financial Statements referred to in subsection (viii) above, they do not have to be separately set forth (unless Audited Financial Statements are being delivered more than 180 days 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 memoranda 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.

(c) 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.

(d) The Developer agrees to assist the Issuer and the Dissemination Agent in providing the information necessary to prepare the Annual Report and the applicable Quarterly Reports described below. If the Developer transfers the lands within the District to an entity which will in turn own or have the option to acquire lands within the District, which lands are responsible for the payment of at least 20% of the Assessments, the Developer agrees to assign and retain its respective obligations set forth herein to such successor in interest.

## 5. **Quarterly Reports.**

(a) The Developer on behalf of itself and 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 fifteen (15) days prior to the Quarterly Filing Date, with the initial Quarterly Filing Date being February 1, 2025. Promptly upon receipt of an electronic copy of the Quarterly Report, but in any event within ten (10) days after receipt thereof, the Dissemination Agent shall provide a Quarterly Report to the Repository.

(b) Each Quarterly Report shall contain an update of the following information for each Obligated Person:

(i) The number and type of lots planned (cumulative).

Lot Ownership Information

- (ii) The number of lots owned by the Obligated Person.
- (iii) The number of lots under contract, if any, with a home builder and the name of such builder.

Lot Status Information

- (iv) The number of lots developed.
- (v) The number of lots platted.

Home Sales Status Information

- (vi) The number of homes sold (but not closed) with homebuyers, during quarter.
- (vii) The number of homes sold (and closed) with homebuyers, during quarter.
- (viii) The number of homes sold (and closed) with homebuyers (cumulative).
- (ix) Materially adverse changes to (a) builder contracts, if applicable, (b) the number of lots planned to be developed, (c) permits/approvals, or (d) the Obligated Person, including, but not limited to, changes in financial status, ownership and corporate structure.
- (x) The occurrence of any new or modified mortgage debt on the land owned by the Obligated Person in the District, including the amount, interest rate and terms of repayment.

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

(d) If the Dissemination Agent has not received a Quarterly Report that contains, at a minimum, the information in Section 5(b) of this Disclosure Agreement by 12:00

noon on the first (1<sup>st</sup>) Business Day following each Quarterly Filing Date, a Listed Event described in Section 6(a)(xvii) shall have occurred and the District and each Obligated Person hereby direct the Dissemination Agent to send a notice to the Repository in substantially the form attached as Exhibit A, with a copy to the District. The Dissemination Agent shall file such notice no later than thirty (30) days following the applicable Quarterly Filing Date.

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 with respect to the Bonds:

- (i) Principal and interest payment delinquencies.
- (ii) Modifications to rights of Bond holders, if material.
- (iii) Bond calls, if material, and tender offers.
- (iv) Defeasances.
- (v) Rating changes.\*

(vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determination 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) Any unscheduled draw on the Debt Service Reserve Fund established under the Indenture reflecting financial difficulties.

(viii) Any unscheduled draw on credit enhancements reflecting financial difficulties.\*

(ix) The release, substitution or sale of property securing repayment of the Bonds, if material.†

(x) The substitution of credit or liquidity providers or their failure to perform.\*

(xi) Non-payment related defaults, if material.

(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

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\*Not applicable to the Bonds.

† Sales of property to third-party homebuyers in the ordinary course of business are not deemed material.



assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer or any Obligated Person).

(xiii) The 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) The 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 any 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 any 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 a Financial Obligation of the Issuer or any 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.

(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 Event described in Section 6(a)(xvii), 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 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 not later than the tenth (10<sup>th</sup>) Business Day after the occurrence of the Listed Event).

(c) Each Obligated Person shall notify the Issuer of the occurrence of a Listed Event described in subsection (a)(ix), but only to the extent not in the ordinary course of business, and subsections (a)(xii), (xiii), (xv), (xvi) or (xvii) above as to such Obligated Person

within five (5) Business Days after the occurrence of the Listed Event so as to enable the Issuer to comply with its obligations under this Section 6.

(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 with respect to the Bonds upon the defeasance, prior redemption or payment in full of all of the Bonds.

8. **No Prior Undertakings.** The Developer has not entered into any prior continuing disclosure undertakings in connection with the Rule.

9. **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. Notwithstanding any replacement or appointment of a successor, the Issuer shall remain liable until payment in full for any and all sums owed and payable to the Dissemination Agent hereunder, subject to any offsets the District may have. The initial Dissemination Agent shall be Wrathell, Hunt & Associates, LLC, Boca Raton, Florida. The acceptance of such designation is evidenced by the execution of this Disclosure Agreement by a duly authorized signatory of Wrathell, Hunt & Associates, LLC, Boca Raton, Florida. Wrathell, Hunt & Associates, LLC, Boca Raton, Florida may terminate its role as Dissemination Agent at any time upon delivery of thirty (30) days prior written notice to the District and each Obligated Person.

Wrathell, Hunt & Associates, LLC does not represent the Issuer as a Municipal Advisor or Securities Broker nor is Wrathell, Hunt & 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 & Associates, LLC, does not provide the Issuer with financial advisory services or offer investment advice in any form.

10. **Amendment; Waiver.** Notwithstanding any other provision of this Disclosure Agreement, the Issuer, the Developer 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.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Issuer shall describe such amendment and/or waiver in the next Annual Report and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact

on the type (or, in the case of a change in accounting principles, on the presentation) of financial information or operating data being presented by the 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.

Notwithstanding the above provisions of this Section 10, no amendment to the provisions of Section 5(b) hereof may be made without the consent of each Obligated Person, if any.

11. **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.

12. **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 shall, at the request of any Participating Underwriter or the Owners of at least twenty-five percent (25%) aggregate principal amount of Outstanding Bonds and receipt of indemnity satisfactory to the Trustee, 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 other than the Issuer, the Disclosure Representative or Dissemination Agent 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.

13. **Duties of Dissemination Agent.** The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement among the District 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, the Developer 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 and shall include the applicable CUSIP number(s) for the Bonds set forth in Exhibit A hereto, to which any such filing relates.

14. **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 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.

15. **Tax Roll and Budget.** Upon the request of the Dissemination Agent, the Trustee or any Beneficial Owner, 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 Nassau County Tax Collector (the “County Tax Collector”) and the Issuer’s most recent adopted budget.

16. **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 Nassau County, Florida.

17. **Counterparts.** This Disclosure Agreement may be executed in several counterparts and by PDF signature and all of which shall constitute but one and the same instrument.

18. **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 in the possession of or readily available to the Trustee which the Dissemination Agent requests in writing.

19. **Binding Effect.** This Disclosure Agreement shall be binding upon each party to this Disclosure Agreement and upon each successor and assignee of each party to this Disclosure Agreement and shall inure to the benefit of, and be enforceable by, each party to this Disclosure Agreement and each successor and assignee of each party to this Disclosure Agreement. Notwithstanding the foregoing, as to any entity comprising 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.

LIBERTY COVE COMMUNITY  
DEVELOPMENT DISTRICT, as Issuer

[SEAL]

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

ATTEST:

By: \_\_\_\_\_  
Assistant Secretary

LIBERTY COVE NASSAU, LLC, a Florida  
limited liability company, as Developer

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

WRATHELL, HUNT & ASSOCIATES,  
LLC, 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 12, 14 and 18 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: Liberty Cove Community Development District

Name of Bond Issue: \$\_\_\_\_\_ original aggregate principal amount of Special Assessment Revenue Bonds, Series 2024 (Assessment Area One Project)

Obligated Person(s): Liberty Cove Community Development District; Liberty Cove Nassau, LLC

Original Date of Issuance: \_\_\_\_\_, 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 \_\_\_\_\_, 2024 by and among 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

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**APPENDIX E**  
**ASSESSMENT METHODOLOGY**

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# LIBERTY COVE COMMUNITY DEVELOPMENT DISTRICT

## Master Special Assessment Methodology Report

July 20, 2021



Provided by:

**Wrathell, Hunt and Associates, LLC**

2300 Glades Road, Suite 410W

Boca Raton, FL 33431

Phone: 561-571-0010

Fax: 561-571-0013

Website: [www.whhassociates.com](http://www.whhassociates.com)

## Table of Contents

<b>1.0</b>	<b>Introduction</b>	
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
<b>2.0</b>	<b>Development Program</b>	
2.1	Overview .....	2
2.2	The Development Program .....	3
<b>3.0</b>	<b>The Capital Improvement Program</b>	
3.1	Overview .....	3
3.2	Capital Improvement Program .....	3
<b>4.0</b>	<b>Financing Program</b>	
4.1	Overview .....	4
4.2	Types of Bonds Proposed .....	4
<b>5.0</b>	<b>Assessment Methodology</b>	
5.1	Overview .....	5
5.2	Benefit Allocation .....	5
5.3	Assigning Bond Assessment .....	7
5.4	Lienability Test: Special and Peculiar Benefit to the Property .....	7
5.5	Lienability Test: Reasonable and Fair Apportionment of the Duty to Pay .....	8
5.6	True-Up Mechanism .....	8
5.7	Assessment Roll .....	10
<b>6.0</b>	<b>Additional Stipulations</b>	
6.1	Overview .....	10
<b>7.0</b>	<b>Appendix</b>	
	Table 1 .....	11
	Table 2 .....	11
	Table 3 .....	12
	Table 4 .....	12
	Table 5 .....	13

## **1.0 Introduction**

### **1.1 Purpose**

This Master Special Assessment Methodology Report (the “Report”) was developed to provide a master financing plan and a master special assessment methodology for the Liberty Cove Community Development District (the “District”), located in the William Burgess Overlay District, Nassau County, Florida, as related to funding the costs of the acquisition and construction of public infrastructure improvements contemplated to be provided by the District.

### **1.2 Scope of the Report**

This Report presents projections for financing the District’s public infrastructure improvements (the “Capital Improvement Program”) as described in the Engineer’s Report of Prosser, Inc. dated July 8, 2021 (the “Engineer’s Report”), as well as describes the method for the allocation of special benefits and the apportionment of special assessment debt resulting from the provision and funding of the Capital Improvement Program.

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

Improvements undertaken and funded by the District as part of the Capital Improvement Program 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 Program enables properties within its boundaries to be developed.

There is no doubt that the general public, property owners, and property outside the District will benefit from the provision of the Capital Improvement Program. However, these benefits are only incidental since the Capital Improvement Program 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 Program and do not depend upon the Capital Improvement Program 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 Program will provide infrastructure and improvements which are all necessary in order to make the lands within the District developable and saleable. The installation of such improvements will cause the value of the developable and saleable lands within the District to increase by more than the sum of the financed cost of the individual components of the Capital Improvement Program. Even though the exact value of the benefits provided by the Capital Improvement Program 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 Capital Improvement Program as determined by the District Engineer.

*Section Four* discusses the current financing program for the District.

*Section Five* discusses the special assessment methodology for the District.

### **2.0 Development Program**

#### **2.1 Overview**

The District serves the Liberty Cove development (the "Development" or "Liberty Cove"), a master planned, residential development located in the William Burgess Overlay District, Nassau County, Florida. The land within the District consists of approximately 311.83 +/- acres and is generally located to the north of the Nassau River, south of William Burgess Boulevard, east of I-95, and west of US-17.

## **2.2 The Development Program**

The development of Liberty Cove is anticipated to be conducted by the Liberty Cove Nassau, LLC or its associates (the “Developer”). Based upon the information provided by the Developer, the current development plan envisions a total of 750 residential units developed in multiple phases, although land use types and unit numbers may change throughout the development period. Table 1 in the *Appendix* illustrates the development plan for the District.

## **3.0 The Capital Improvement Program**

### **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 Program**

The Capital Improvement Program needed to serve the Development is projected to consist of stormwater management facilities, utilities, roadways, entry features & landscaping, amenities, and environmental compliance and mitigation as set forth in more detail in the Engineer's Report.

The infrastructure included in the Capital Improvement Program will comprise an interrelated system of improvements, which means that all of the improvements will serve the entire District and improvements will be interrelated such that they will reinforce one another. At the time of this writing, the total costs of the Capital Improvement Program are estimated at \$20,000,000. Table 2 in the *Appendix A* illustrates the specific components of the Capital Improvement Program and their costs.

## 4.0 Financing Program

### 4.1 Overview

As noted above, the District is embarking on a program of capital improvements which will facilitate the development of lands within the District. Generally, construction of public improvements is either funded by the Developer and then acquired by the District or funded directly by the District. The choice of the exact mechanism for providing public infrastructure has not yet been made at the time of this writing, and the District may either acquire the public infrastructure from the Developer or construct it, or even partly acquire it and partly construct it.

Even though the actual financing plan may change to include multiple series of bonds, it is likely that in order to fully fund the costs of the Capital Improvement Program as described in *Section 3.2* in one financing transaction, the District would have to issue approximately \$25,720,000 in par amount of special assessment bonds (the "Bonds").

**Please note that the purpose of this Report is to allocate the benefit of the Capital Improvement Program to the various land uses in the District and based on such benefit allocation to apportion the maximum debt necessary to fund the Capital Improvement Program. The discussion of the structure and size of the indebtedness is based on various estimates and is subject to change.**

### 4.2 Types of Bonds Proposed

The proposed financing plan for the District provides for the issuance of the Bonds in the principal amount of \$25,720,000 to finance Capital Improvement Program costs at \$20,000,000. The Bonds as projected under this master financing plan would be structured to be amortized in 30 annual installments following a 24-month capitalized interest period. Interest payments on the Bonds would be made every May 1 and November 1, and principal payments on the Bonds would be made every November 1.

In order to finance the improvement costs, the District would need to borrow more funds and incur indebtedness in the total amount of \$25,720,000. The difference is comprised of debt service reserve, capitalized interest, and costs of issuance, including the



underwriter's discount. 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 funds necessary to construct/acquire the infrastructure improvements which are part of the Capital Improvement Program outlined in *Section 3.2* and described in more detail by the District Engineer in the Engineer's Report. These improvements lead to special and general benefits, with special benefits accruing to properties within the boundaries of the District. General benefits accrue to areas outside the District, and being only incidental in nature. The debt incurred in financing the public infrastructure will be secured by assessing properties that derive special and peculiar benefits from the Capital Improvement Program. All properties that receive special benefits from the Capital Improvement Program will be assessed for their fair share of the debt issued in order to finance the Capital Improvement Program.

### **5.2 Benefit Allocation**

The current development plan for the District envisions the development of a total of 750 residential units developed in multiple phases, although unit numbers and land use types may change throughout the development period.

The public infrastructure included in the Capital Improvement Program will comprise an interrelated system of improvements, which means that all of the improvements will serve the entire District and such public improvements will be interrelated such that they will reinforce each other and their combined benefit will be greater than the sum of their individual benefits. All of the land uses within the District will benefit from each infrastructure improvement category, as the improvements provide basic infrastructure to all land within

the District and benefit all land within the District as an integrated system of improvements.

As stated previously, the public infrastructure improvements included in the Capital Improvement Program have a logical connection to the special and peculiar benefits received by the land within the District, as without such improvements, the development of the properties within the District would not be possible. Based upon the connection between the improvements and the special and peculiar benefits to the land within the District, the District can assign or allocate a portion of the District's debt through the imposition of non-ad valorem assessments, to the land receiving such special and peculiar benefits. Even though these special and peculiar benefits are real and ascertainable, the precise amount of the benefit cannot yet be calculated with mathematical certainty. However, such benefit is more valuable than the cost of, or the actual non-ad valorem assessment amount levied on that parcel.

The proposed Development plan is expected to encompass 750 residential units. This Report proposes to allocate the benefit associated with the Capital Improvement Program to the different product types proposed to be developed within the District in proportion to their density of development and intensity of use of infrastructure as measured by a standard unit called an Equivalent Residential Unit ("ERU"). 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 District 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 the different ERU weights is supported by the fact that generally and on average products with smaller lot sizes will use and benefit from the improvements which are part of the Capital Improvement Program less than products with larger lot sizes. For instance, generally and on average products with smaller lot sizes will produce less storm water runoff, may produce fewer vehicular trips, and may need less water/sewer capacity than products with larger lot sizes. Additionally, the value of the products with larger lot sizes is likely to appreciate by more in terms of dollars than that of the products with smaller lot sizes as a result of the implementation of the infrastructure improvements. As the exact amount of the benefit and appreciation is not possible to be calculated at this time, the use of ERU measures serves as a reasonable approximation of the relative amount of benefit received from the District's public

infrastructure improvements that are part of the Capital Improvement Program.

Table 5 in the *Appendix* presents the apportionment of the assessment associated with the Bonds (the “Bond Assessment”) in accordance with the ERU benefit allocation method presented in Table 4. Table 5 also presents the annual levels of the Capital Improvement Program annual debt service assessments per unit.

### **5.3 Assigning Bond Assessment**

As the land in the District is not yet platted for its intended final use and the precise location of the residential units by lot or parcel is unknown, the Bond Assessment will initially be levied on all of the land in the District on an equal pro-rata gross acre basis and thus the total bonded debt in the amount of \$25,720,000 will be preliminarily levied on approximately 311.83 +/- gross acres at a rate of \$82,480.84 per acre.

When the land is platted, the Bond Assessment 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 Bond Assessment 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 Assessment 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 Assessment 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 certain properties within the District. The District's improvements benefit assessable properties within the District and accrue to all such assessable properties on an ERU basis.

Improvements undertaken by the District can be shown to be creating special and peculiar benefits to the property within the District. The special and peculiar benefits resulting from each improvement are:

- a. added use of the property;
- b. added enjoyment of the property;
- c. decreased insurance premiums; and
- d. increased marketability and value of the property.

The improvements which are part of the Capital Improvement Program make the land in the District developable and saleable and when implemented jointly as parts of the Capital Improvement Program, 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 all assessable property within the District according to reasonable estimates of the special and peculiar benefits derived from the Capital Improvement Program.

Accordingly, no acre or parcel of property within the District 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 Assessment Methodology described herein is based on conceptual information obtained from the Developer prior to construction. As development occurs it is possible that the number of ERUs may change. The mechanism for maintaining the methodology over the changes is referred to as true-up.

This mechanism is to be utilized to ensure that the Bond Assessment on a per ERU basis never exceeds the initially allocated assessment

as contemplated in the adopted assessment methodology. Bond Assessment per ERU preliminarily equals \$39,691.36 (\$25,720,000 in Bond Assessment divided by 648 ERUs) and may change based on the final bond sizing. If such changes occur, the Methodology is applied to the land based on the number of and type of units of particular land uses within each and every parcel as signified by the number of ERUs.

As the land in the District is platted, the Bond Assessment is assigned to platted parcels based on the figures in Table 5 in the *Appendix*. If as a result of platting and apportionment of the Bond Assessment to the platted parcels, the Bond Assessment per ERU for land that remains unplatted remains equal to \$39,691.36, then no true-up adjustment will be necessary.

If as a result of platting and apportionment of the Bond Assessment to the platted parcels the Bond Assessment per ERU for land that remains unplatted equals less than \$39,691.36 (for instance as a result of a larger number of units) then the per ERU Bond Assessment for all parcels within the District will be lowered if that state persists at the conclusion of platting of all land within the District.

If, in contrast, as a result of platting and apportionment of the Bond Assessment to the platted parcels, the Bond Assessment per ERU for land that remains unplatted equals more than \$39,691.36 (for instance as a result of a smaller number of units), taking into account any future development plans for the unplatted lands – in the District’s sole discretion and to the extent such future development plans are feasible, consistent with existing entitlements and governmental requirements, and reasonably expected to be implemented, then the difference in Bond Assessment plus accrued interest will be collected from the owner of the property which platting caused the increase of assessment per ERU to occur, in accordance with the assessment resolution and/or a true-up agreement to be entered into between the District and the Developer, which will be binding on assignees.

The owner(s) of the property will be required to immediately remit to the Trustee for redemption a true-up payment equal to the difference between the actual Bond Assessment per ERU and \$39,691.36, multiplied by the actual number of ERUs plus accrued interest to the next succeeding interest payment date on the Bonds, unless such interest payment date occurs within 45 days of such true-up payment, in which case the accrued interest shall be paid to the following interest payment date (or such other time as set forth in the

supplemental indenture for the applicable series of Bonds secured by the Bond Assessment).

In addition to platting of property within the District, any planned sale of an unplatted parcel to another builder or developer will cause the District to initiate a true-up test as described above to test whether the amount of the Bond Assessment per ERU for land that remains unplatted within the District remains equal to \$39,691.36. The test will be based upon the development rights as signified by the number of ERUs 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 Assessment transferred at sale.

### **5.7 Assessment Roll**

Based on the per gross acre assessment proposed in Section 5.2, the Bond Assessment of \$25,720,000 is proposed to be levied over the area described in Exhibit "A". Excluding any capitalized interest period, debt service assessment shall be paid in thirty (30) annual 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 Capital Improvement Program. 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

### **Liberty Cove** Community Development District

#### Development Plan

<b>Product Type</b>	<b>Number of Units</b>
Townhome	204
Single Family	546
<b>Total</b>	<b>750</b>

Table 2

### **Liberty Cove** Community Development District

#### Project Costs

<b>Improvement</b>	<b>Total Costs</b>
Stormwater Management Facilities	\$7,400,000.00
Utilities (Water, Sanitary Sewer, Re-Use Mains and Lift Stations)	\$4,000,000.00
Roadways (Storm Sewer Collection and Street Lighting)	\$4,800,000.00
Amenity, Entrance, Hardscape & Landscaping Features	\$2,500,000.00
Environmental Compliance and Mitigation	\$700,000.00
Design, Engineering, Surveying, and Permitting	\$600,000.00
<b>Total</b>	<b>\$20,000,000.00</b>

Table 3

# Liberty Cove

## Community Development District

### Preliminary Sources and Uses of Funds

**Sources**

Bond Proceeds:	
Par Amount	\$25,720,000.00
<b>Total Sources</b>	<b>\$25,720,000.00</b>

**Uses**

Project Fund Deposits:	
Project Fund	\$20,000,000.00
Other Fund Deposits:	
Debt Service Reserve Fund	\$1,868,530.00
Capitalized Interest Fund	\$3,086,400.00
Delivery Date Expenses:	
Costs of Issuance	\$764,400.00
Rounding	\$670.00
<b>Total Uses</b>	<b>\$25,720,000.00</b>

Table 4

# Liberty Cove

## Community Development District

### Benefit Allocation

Product Type	Number of Units	ERU Weight	Total ERU
Townhome	204	0.50	102.00
Single Family	546	1.00	546.00
<b>Total</b>	<b>750</b>		<b>648.00</b>



Table 5

# Liberty Cove

## Community Development District

### Assessment Apportionment

Product Type	Number of Units	Total Cost Allocation*	Maximum Total Bond Assessment Apportionment	Maximum Bond Assessment Apportionment per Unit	Maximum Annual Bond Assessment Debt Service per Unit - paid in March**
Townhome	204	\$3,148,148.15	\$4,048,518.52	\$19,845.68	\$1,550.29
Single Family	546	\$16,851,851.85	\$21,671,481.48	\$39,691.36	\$3,100.57
<b>Total</b>	<b>750</b>	<b>\$20,000,000.00</b>	<b>\$25,720,000.00</b>		

\* Please note that cost allocations to units herein are based on the ERU benefit allocation illustrated in Table 4

\*\* Includes costs of collection, early payment discount and assumes payment in March

## **Exhibit “A”**

Bond Assessment in the amount of \$25,720,000 is proposed to be levied over the area as described below designating the boundary of the District:

A PARCEL OF LAND SITUATE IN SECTIONS 8, 17 AND THE JOHN UPTERGROVE GRANT, SECTION 45, TOWNSHIP 2 NORTH, RANGE 27 EAST, NASSAU COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGIN AT THE NORTHWEST CORNER OF SAID SECTION 8; THENCE SOUTH 00°41'02" EAST, ALONG THE WEST LINE OF SAID SECTION 8, A DISTANCE OF 2,557.97 FEET TO THE SOUTHWEST CORNER OF LANDS DESCRIBED IN OFFICIAL RECORDS BOOK 936, PAGE 890, OF THE PUBLIC RECORDS OF NASSAU COUNTY, FLORIDA AND THE POINT OF BEGINNING; THENCE CONTINUE SOUTH 00°41'02" EAST, ALONG THE WEST LINE OF SAID SECTION 8, A DISTANCE OF 1,394.36 FEET TO INTERSECT THE NORTHERLY LINE OF SAID JOHN UPTERGROVE GRANT, SECTION 45, TOWNSHIP 2 NORTH, RANGE 27 EAST, NASSAU COUNTY, FLORIDA; THENCE SOUTH 67°03'48" WEST, ALONG THE NORTHERLY LINE OF SAID JOHN UPTERGROVE GRANT, SECTION 45, A DISTANCE OF 610.15 FEET TO THE NORTHWESTERLY CORNER OF SAID JOHN UPTERGROVE GRANT, SECTION 45; THENCE SOUTH 22°56'32" EAST, ALONG THE WESTERLY LINE OF SAID JOHN UPTERGROVE GRANT, SECTION 45, A DISTANCE OF 1,492.92 FEET TO INTERSECT THE WESTERLY LINE OF SECTION 17, TOWNSHIP 2 NORTH, RANGE 27 EAST, NASSAU COUNTY, FLORIDA; THENCE SOUTH 01°00'34" EAST, ALONG THE WEST LINE OF SAID SECTION 17, A DISTANCE OF 2,150.23 FEET TO THE SOUTHWEST CORNER OF GOVERNMENT LOT 1, OF SAID SECTION 17; THENCE NORTH 87°40'15" EAST, ALONG THE SOUTH LINE OF SAID GOVERNMENT LOT 1, A DISTANCE OF 925.62 FEET TO INTERSECT THE WESTERLY LINE OF SAID JOHN UPTERGROVE GRANT, SECTION 45; THENCE SOUTH 23°54'32" EAST, ALONG THE WESTERLY LINE OF SAID JOHN UPTERGROVE GRANT, SECTION 45, A DISTANCE OF 641.23 FEET TO A 4"X4" CONCRETE MONUMENT "RAYONIER" LOCATED AT THE EDGE OF MARSH OF THE MARSHLANDS OF THE NASSAU RIVER AND A POINT HEREINAFTER REFERRED TO AS POINT "A"; THENCE RETURN TO THE POINT OF BEGINNING AND RUN ALONG THE PERIMETER OF SAID LANDS DESCRIBED IN OFFICIAL RECORDS BOOK 936, PAGE 890, THE FOLLOWING TWO COURSES: (1) NORTH 88°03'30" EAST A DISTANCE OF 893.66 FEET; (2) THENCE NORTH 00°32'55" WEST A DISTANCE OF 1,416.65 FEET TO INTERSECT THE SOUTHERLY RIGHT-OF-WAY LINE OF WILLIAM BURGESS ROAD (A 100 FOOT RIGHT-OF-WAY); THENCE ALONG SAID SOUTHERLY RIGHT-OF-WAY LINE THE FOLLOWING THREE COURSES: (1) THENCE SOUTH 63°08'56" EAST A DISTANCE OF 840.54 FEET TO THE BEGINNING OF A CURVE CONCAVE TO THE SOUTHWEST HAVING A RADIUS OF 925.00 FEET; (2) THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 05°35'59", AN ARC DISTANCE OF 90.40 FEET AND BEING SUBTENDED BY A CHORD BEARING SOUTH 60°20'57" EAST A DISTANCE OF 90.37 FEET; (3) THENCE SOUTH 57°32'57" EAST A DISTANCE OF 234.37 FEET TO THE NORTHERLY CORNER OF LANDS DESCRIBED IN OFFICIAL RECORDS BOOK 847, PAGE 1461, OF THE PUBLIC RECORDS OF NASSAU COUNTY, FLORIDA; THENCE SOUTH 30°09'27" WEST, ALONG THE NORTHWESTERLY LINE OF LAST REFERENCED LANDS, A DISTANCE OF 390.53 FEET TO THE NORTHWEST CORNER OF PARCEL "A" DESCRIBED IN OFFICIAL RECORDS BOOK 664, PAGES 915 THROUGH 924, OF THE PUBLIC RECORDS OF NASSAU COUNTY, FLORIDA; THENCE ALONG THE PERIMETER OF LANDS DESCRIBED AS EXHIBIT "A", PARCEL 3 IN OFFICIAL RECORDS BOOK 949, PAGES 1456 THROUGH 1458, OF THE PUBLIC RECORDS OF NASSAU COUNTY, FLORIDA, THE FOLLOWING NINE COURSES: (1) THENCE NORTH 89°43'32" WEST A DISTANCE OF 68.74 FEET; (2) THENCE SOUTH 01°24'49" EAST A DISTANCE OF 116.83 FEET TO THE BEGINNING OF A CURVE CONCAVE TO THE NORTHWEST HAVING A RADIUS OF 430.00 FEET; (3) THENCE SOUTHWESTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 35°17'49", AN ARC DISTANCE OF 264.90 FEET AND BEING SUBTENDED BY A CHORD BEARING SOUTH 16°14'06" WEST A DISTANCE OF 260.73 FEET; (4) THENCE SOUTH 33°53'00" WEST A DISTANCE OF 220.41 FEET TO THE BEGINNING OF A CURVE CONCAVE TO THE NORTHWEST HAVING A RADIUS OF 530.00 FEET; (5) THENCE SOUTHWESTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 15°04'54", AN ARC DISTANCE OF 139.51 FEET AND BEING SUBTENDED BY A CHORD BEARING SOUTH 41°25'27" WEST A DISTANCE OF 139.11 FEET; (6) THENCE SOUTH 48°57'54" WEST A DISTANCE OF 502.75 FEET TO THE BEGINNING OF A CURVE CONCAVE TO THE SOUTHEAST HAVING A RADIUS OF 470.00 FEET; (7) THENCE SOUTHWESTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 47°53'25", AN ARC DISTANCE OF 392.85 FEET AND BEING SUBTENDED BY A CHORD BEARING SOUTH 25°01'12" WEST A DISTANCE OF 381.51 FEET; (8) THENCE SOUTH 01°04'29" WEST A DISTANCE OF 331.34 FEET TO INTERSECT THE NORTHERLY LINE OF SAID JOHN UPTERGROVE GRANT, SECTION 45; (9) THENCE NORTH 67°21'52" EAST, ALONG THE NORTHERLY LINE OF SAID JOHN UPTERGROVE GRANT, SECTION 45, A DISTANCE OF 356.69 FEET TO THE NORTHWESTERLY CORNER OF LANDS DESCRIBED IN OFFICIAL RECORDS BOOK 689, PAGE 1025, OF THE PUBLIC RECORDS OF NASSAU COUNTY, FLORIDA; THENCE SOUTH 22°10'07" EAST, ALONG THE WESTERLY LINE OF LAST SAID LANDS, A DISTANCE OF 3,595.04 FEET TO A 4"X4" CONCRETE MONUMENT "RAYONIER"; THENCE CONTINUE SOUTH 22°10'07" EAST, ALONG SAID WESTERLY LINE, A DISTANCE OF 86 FEET MORE OR LESS TO THE MARSHLANDS OF THE NASSAU RIVER; THENCE SOUTHWESTERLY, SOUTHEASTERLY AND SOUTHWESTERLY, ALONG THE MARSHLANDS OF THE NASSAU RIVER, A DISTANCE OF 5,037 FEET MORE OR LESS TO ABOVE REFERENCED POINT "A" AND THE CLOSING POINT OF THIS DESCRIPTION.

CONTAINING 241.11 ACRES MORE OF LESS.

**LEGAL DESCRIPTION**  
**COOK-COLEMAN PARCEL**  
LIBERTY COVE  
2021-04-01

**PROSSER**  
Creative Visionaries. Engineering Minds®

A PARCEL OF LAND SITUATE IN THE JOHN UPTERGROVE GRANT, SECTION 45, TOWNSHIP 2 NORTH, RANGE 27 EAST, NASSAU COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

FOR A POINT OF REFERENCE COMMENCE AT THE NORTHEASTERLY CORNER OF SAID SECTION 45; THENCE SOUTH 22°37'20" EAST, ALONG THE EASTERLY LINE OF SAID SECTION 45, A DISTANCE OF 816.37 FEET TO THE POINT OF BEGINNING; THENCE CONTINUE SOUTH 22°37'20" EAST, ALONG THE EASTERLY LINE OF SAID SECTION 45, A DISTANCE OF 1,838.69 FEET TO A 4"x4" CONCRETE MONUMENT LOCATED AT THE INTERSECTION OF THE SOUTH LINE OF SECTION 8, TOWNSHIP 2 NORTH, RANGE 27 EAST, NASSAU COUNTY, FLORIDA; THENCE CONTINUE SOUTH 22°37'20" EAST, ALONG THE EASTERLY LINE OF SAID SECTION 45, A DISTANCE OF 129 FEET MORE OR LESS TO INTERSECT THE DIVISION LINE BETWEEN THE HIGHLANDS AND THE MARSHLANDS OF THE NASSAU RIVER AND A POINT HEREINAFTER REFERRED TO AS POINT "A"; THENCE RETURN TO THE POINT OF BEGINNING AND RUN THE FOLLOWING SEVEN (7) COURSES ALONG THE SOUTHERLY LINE OF LANDS DESCRIBED IN OFFICIAL RECORDS BOOK 949, PAGE 1447, OF THE PUBLIC RECORDS OF NASSAU COUNTY, FLORIDA: (1) THENCE SOUTH 83°51'44" WEST A DISTANCE OF 171.85 FEET TO THE BEGINNING OF A CURVE CONCAVE TO THE NORTH HAVING A RADIUS OF 500.00 FEET; (2) THENCE WESTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 20°34'34", AN ARC DISTANCE OF 178.87 FEET AND BEING SUBTENDED BY A CHORD BEARING NORTH 85°53'22" WEST A DISTANCE OF 177.92 FEET; (3) THENCE NORTH 75°38'27" WEST A DISTANCE OF 157.00 FEET TO THE BEGINNING OF A CURVE CONCAVE TO THE NORTH HAVING A RADIUS OF 500.00 FEET; (4) THENCE WESTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 13°57'47", AN ARC DISTANCE OF 121.16 FEET AND BEING SUBTENDED BY A CHORD BEARING NORTH 68°41'57" WEST A DISTANCE OF 120.86 FEET TO A POINT OF REVERSE CURVATURE OF A CURVE CONCAVE TO THE SOUTH HAVING A RADIUS OF 100.00 FEET; (5) THENCE WESTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 49°09'24", AN ARC DISTANCE OF 85.66 FEET AND BEING SUBTENDED BY A CHORD BEARING NORTH 86°17'45" WEST A DISTANCE OF 83.06 FEET; (6) THENCE SOUTH 69°09'55" WEST A DISTANCE OF 191.92 FEET; (7) THENCE NORTH 77°59'14" WEST A DISTANCE OF 847.91 FEET TO INTERSECT THE NORTHERLY LINE OF SAID SECTION 45; THENCE SOUTH 65°52'49" WEST, ALONG THE NORTHERLY LINE OF SAID SECTION 45, A DISTANCE OF 171.73 FEET; THENCE SOUTH 22°08'37" EAST, ALONG THE EASTERLY LINE OF LANDS DESCRIBED IN OFFICIAL RECORDS BOOK 2022, PAGE 1466, OF THE PUBLIC RECORDS OF NASSAU COUNTY, FLORIDA, A DISTANCE OF 3,594.85 FEET TO A 4"x4" CONCRETE MONUMENT; THENCE CONTINUE SOUTH 22°08'37" WEST, ALONG THE EASTERLY LINE OF LANDS DESCRIBED IN OFFICIAL RECORDS BOOK 2022, PAGE 1466, OF THE PUBLIC RECORDS OF NASSAU COUNTY, FLORIDA, A DISTANCE OF 14 FEET MORE OR LESS TO INTERSECT THE DIVISION LINE BETWEEN THE HIGHLANDS AND THE MARSHLANDS OF THE NASSAU RIVER; THENCE SOUTHEASTERLY, EASTERLY, NORTHERLY AND NORTHEASTERLY, ALONG THE DIVISION LINE BETWEEN THE HIGHLANDS AND THE MARSHLANDS OF THE NASSAU RIVER, A DISTANCE OF 3,026 FEET MORE OR LESS TO ABOVE REFERENCE POINT "A" AND THE CLOSE OF THIS DESCRIPTION.

CONTAINING 114.86 ACRES MORE OR LESS.

**LEGAL DESCRIPTION**  
**SALLETTE PARCEL**  
LIBERTY COVE  
2021-04-01

**PROSSER**  
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LESS AND EXCEPT:

A PARCEL OF LAND SITUATE IN THE JOHN UPTERGROVE GRANT, SECTION 45, TOWNSHIP 2 NORTH, RANGE 27 EAST, NASSAU COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

FOR A POINT OF REFERENCE COMMENCE AT THE NORTHWEST CORNER OF SECTION 8, TOWNSHIP 2 NORTH, RANGE 27 EAST, NASSAU COUNTY, FLORIDA; THENCE S 00°41'02" E, ALONG THE WEST LINE OF SAID SECTION 8, A DISTANCE OF 3,952.33 FEET TO INTERSECT THE NORTH LINE OF SAID SECTION 45; THENCE N 67°22'00" E, ALONG THE NORTH LINE OF SAID SECTION 45, A DISTANCE OF 750.12 FEET; THENCE N 67°21'52" E, ALONG THE NORTH LINE OF SAID SECTION 45, A DISTANCE OF 359.69 FEET TO THE NORTHWEST CORNER OF LANDS DESCRIBED IN OFFICIAL RECORDS BOOK 1942, PAGE 573 OF THE PUBLIC RECORDS OF NASSAU COUNTY, FLORIDA; THENCE S 22°10'07" E, ALONG THE WESTERLY LINE OF SAID LANDS DESCRIBED IN OFFICIAL RECORDS BOOK 1942, PAGE 573, A DISTANCE OF 995.53 FEET TO THE POINT OF BEGINNING; THENCE CONTINUE S 22°10'07" E, ALONG THE WESTERLY LINE OF SAID LANDS DESCRIBED IN OFFICIAL RECORDS BOOK 1942, PAGE 573, A DISTANCE OF 942.67 FEET; THENCE S 57°10'25" W, A DISTANCE OF 997.98 FEET; THENCE N 32°49'35" W, A DISTANCE OF 129.79 FEET; THENCE IN A NORTHERLY DIRECTION WITH A TANGENT CURVE TURNING TO THE RIGHT WITH A RADIUS OF 1,965.00 FEET, HAVING A CHORD BEARING OF N 11°50'05" W AND A CHORD DISTANCE OF 1,407.85 FEET, HAVING A CENTRAL ANGLE OF 41°59'00" AND AN ARC LENGTH OF 1,439.85 FEET TO A POINT; THENCE IN A NORTHEASTERLY DIRECTION WITH A COMPOUND TANGENT CURVE TURNING TO THE RIGHT WITH A RADIUS OF 30.00 FEET, HAVING A CHORD BEARING OF N 35°38'21" E AND A CHORD DISTANCE OF 26.76 FEET, HAVING A CENTRAL ANGLE OF 52°57'51" AND AN ARC LENGTH OF 27.73 FEET TO A POINT; THENCE N 56°32'31" E, A DISTANCE OF 14.58 FEET; THENCE IN A EASTERLY DIRECTION WITH A TANGENT CURVE TURNING TO THE RIGHT WITH A RADIUS OF 39.08 FEET, HAVING A CHORD BEARING OF N 74°05'34" E AND A CHORD DISTANCE OF 23.57 FEET, HAVING A CENTRAL ANGLE OF 35°06'06" AND AN ARC LENGTH OF 23.94 FEET TO A POINT; THENCE S 82°45'44" E, A DISTANCE OF 46.70 FEET; THENCE S 82°53'08" E, A DISTANCE OF 111.15 FEET; THENCE IN A EASTERLY DIRECTION WITH A NON-TANGENT CURVE TURNING TO THE LEFT WITH A RADIUS OF 665.79 FEET, HAVING A CHORD BEARING OF S 85°47'11" E AND A CHORD DISTANCE OF 70.75 FEET, HAVING A CENTRAL ANGLE OF 06°05'30" AND AN ARC LENGTH OF 70.79 FEET TO A POINT; THENCE S 87°47'28" E, A DISTANCE OF 201.56 FEET; THENCE IN A EASTERLY DIRECTION WITH A TANGENT CURVE TURNING TO THE RIGHT WITH A RADIUS OF 265.00 FEET, HAVING A CHORD BEARING OF S 82°36'02" E AND A CHORD DISTANCE OF 47.95 FEET, HAVING A CENTRAL ANGLE OF 10°22'52" AND AN ARC LENGTH OF 48.01 FEET TO A POINT; THENCE S 77°24'36" E, A DISTANCE OF 323.21 FEET TO THE POINT OF BEGINNING.

CONTAINING 28.8 ACRES, MORE OR LESS.

LEGAL DESCRIPTION  
SCHOOL PARCEL  
LIBERTY COVE  
2021-04-01

**PROSSER**

*Creative Visionaries. Engineering Minds®*

LESS AND EXCEPT:

PARCEL C-7

A PARCEL OF LAND SITUATE IN THE SECTION 8, TOWNSHIP 2 NORTH, RANGE 27 EAST, NASSAU COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

FOR A POINT OF REFERENCE COMMENCE AT THE NORTHWEST CORNER OF SECTION 8, TOWNSHIP 2 NORTH, RANGE 27 EAST, NASSAU COUNTY, FLORIDA; THENCE S 00°41'02" E, ALONG THE WEST LINE OF SAID SECTION 8, A DISTANCE OF 701.90 FEET TO INTERSECT THE SOUTHERLY RIGHT-OF-WAY LINE OF WILLIAM BURGESS ROAD (A 100' RIGHT-OF-WAY); THENCE IN A SOUTHEASTERLY DIRECTION WITH A TANGENT CURVE TURNING TO THE LEFT WITH A RADIUS OF 695.00 FEET, HAVING A CHORD BEARING OF S 59°26'00" E WITH A CHORD DISTANCE OF 90.08 FEET AND AN ARC LENGTH OF 90.14 FEET; THENCE CONTINUE S 63°08'56" E, ALONG THE SOUTHERLY RIGHT-OF-WAY LINE OF SAID WILLIAM BURGESS ROAD, A DISTANCE OF 811.76 FEET TO THE POINT OF BEGINNING;

THENCE CONTINUE S 63°08'56" E, ALONG SAID SOUTHERLY RIGHT-OF-WAY LINE OF WILLIAM BURGESS ROAD, A DISTANCE OF 660.52 FEET; THENCE S 26°51'04" W, A DISTANCE OF 96.51 FEET; THENCE IN A SOUTHERLY DIRECTION WITH A TANGENT CURVE TURNING TO THE LEFT WITH A RADIUS OF 432.50 FEET, HAVING A CHORD BEARING OF S 09°54'10" W AND A CHORD DISTANCE OF 252.16 FEET, HAVING A CENTRAL ANGLE OF 33°53'49" AND AN ARC LENGTH OF 255.87 FEET; THENCE IN A WESTERLY DIRECTION WITH A REVERSE NON-TANGENT CURVE TURNING TO THE RIGHT WITH A RADIUS OF 300.00 FEET, HAVING A CHORD BEARING OF N 71°58'15" W AND A CHORD DISTANCE OF 92.67 FEET, HAVING A CENTRAL ANGLE OF 17°46'11" AND AN ARC LENGTH OF 93.04 FEET; THENCE N 63°05'09" W, A DISTANCE OF 417.31 FEET; THENCE IN A WESTERLY DIRECTION WITH A TANGENT CURVE TURNING TO THE LEFT WITH A RADIUS OF 150.00 FEET, HAVING A CHORD BEARING OF N 70°50'54" W AND A CHORD DISTANCE OF 40.52 FEET, HAVING A CENTRAL ANGLE OF 15°31'29" AND AN ARC LENGTH OF 40.64 FEET TO INTERSECT THE EASTERLY LINE OF LANDS DESCRIBED IN OFFICIAL RECORDS BOOK 936, PAGE 888 OF THE PUBLIC RECORDS OF NASSAU COUNTY, FLORIDA; THENCE N 00°32'55" W, ALONG THE EASTERLY LINE OF LAST SAID LANDS DESCRIBED IN OFFICIAL RECORDS BOOK 936, PAGE 888 A DISTANCE OF 402.00 FEET TO THE POINT OF BEGINNING.

CONTANING 4.74 ACRES, MORE OR LESS.

LEGAL DESCRIPTION

PARCEL C7

LIBERTY COVE

2021-04-01

**PROSSER**

*Creative Visionaries. Engineering Minds®*

LESS AND EXCEPT:

PARCEL C-8

A PARCEL OF LAND SITUATE IN THE JOHN UPTERGROVE GRANT, SECTION 45, TOWNSHIP 2 NORTH, RANGE 27 EAST, NASSAU COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

FOR A POINT OF REFERENCE COMMENCE AT THE NORTHWEST CORNER OF SECTION 8, TOWNSHIP 2 NORTH, RANGE 27 EAST, NASSAU COUNTY, FLORIDA; THENCE S 00°41'02" E, ALONG THE WEST LINE OF SAID SECTION 8, A DISTANCE OF 2,557.97 FEET TO THE SOUTHWEST CORNER OF LANDS DESCRIBED IN OFFICIAL RECORDS BOOK 936, PAGE 888 OF THE PUBLIC RECORDS OF NASSAU COUNTY, FLORIDA; THENCE N 88°03'30" E, ALONG THE SOUTHERLY LINE OF LAST SAID LANDS, A DISTANCE OF 793.66 FEET TO THE POINT OF BEGINNING; THENCE N 00°32'55" W, ALONG THE EAST LINE OF LAST SAID LANDS DESCRIBED IN OFFICIAL RECORDS BOOK 936, PAGE 888, A DISTANCE OF 1,014.65 FEET; THENCE IN A EASTERLY DIRECTION WITH A NON-TANGENT CURVE TURNING TO THE RIGHT WITH A RADIUS OF 150.00 FEET, HAVING A CHORD BEARING OF S 70°50'54" E AND A CHORD DISTANCE OF 40.52 FEET, HAVING A CENTRAL ANGLE OF 15°31'29" AND AN ARC LENGTH OF 40.64 FEET; THENCE S 63°05'09" E, A DISTANCE OF 417.31 FEET; THENCE IN A EASTERLY DIRECTION WITH A TANGENT CURVE TURNING TO THE LEFT WITH A RADIUS OF 300.00 FEET, HAVING A CHORD BEARING OF S 71°58'15" E AND A CHORD DISTANCE OF 92.67 FEET, HAVING A CENTRAL ANGLE OF 17°46'11" AND AN ARC LENGTH OF 93.04 FEET; THENCE IN A SOUTHERLY DIRECTION WITH A NON-TANGENT CURVE TURNING TO THE LEFT WITH A RADIUS OF 432.50 FEET, HAVING A CHORD BEARING OF S 18°45'30" E AND A CHORD DISTANCE OF 175.59, HAVING A CENTRAL ANGLE OF 23°25'29" AND AN ARC LENGTH OF 176.82 FEET; THENCE IN A SOUTHERLY DIRECTION WITH A REVERSE TANGENT CURVE TURNING TO THE RIGHT WITH A RADIUS OF 237.50 FEET, HAVING A CHORD BEARING OF S 15°56'31" E AND A CHORD DISTANCE OF 119.16 FEET, HAVING A CENTRAL ANGLE OF 29°03'25" AND AN ARC LENGTH OF 120.45 FEET; THENCE S 01°24'49" E, A DISTANCE OF 94.56 FEET; THENCE IN A SOUTHERLY DIRECTION WITH A TANGENT CURVE TURNING TO THE RIGHT WITH A RADIUS OF 260.00 FEET, HAVING A CHORD BEARING OF S 16°14'05" W AND A CHORD DISTANCE OF 157.65 FEET, HAVING A CENTRAL ANGLE OF 35°17'49" AND AN ARC LENGTH OF 160.17 FEET; THENCE S 33°53'00" W, A DISTANCE OF 220.32 FEET; THENCE IN A SOUTHWESTERLY DIRECTION WITH A TANGENT CURVE TURNING TO THE RIGHT WITH A RADIUS OF 360 FEET, HAVING A CHORD BEARING OF S 40°21'24" W AND A CHORD DISTANCE OF 81.17 FEET, HAVING A CENTRAL ANGLE OF 02°56'48" AND AN ARC LENGTH OF 81.35 FEET; THENCE S 88°03'29" W, A DISTANCE OF 361.05 FEET TO THE POING OF BEGINNING.

CONTAINING 10.60 ACRES, MORE OR LESS

LEGAL DESCRTIPTION

PARCEL C8

LIBERTY COVE

2021-04-01

**PROSSER**

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# LIBERTY COVE COMMUNITY DEVELOPMENT DISTRICT

Preliminary First Supplemental  
Special Assessment  
Methodology Report

June 14, 2024



Provided by:

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## Table of Contents

<b>1.0</b>	<b>Introduction</b>	
1.1	Purpose .....	1
1.2	Scope of the Preliminary First Supplemental Report .....	1
1.3	Special Benefits and General Benefits .....	1
1.4	Organization of the Preliminary First Supplemental Report .....	2
<b>2.0</b>	<b>Development Program</b>	
2.1	Overview .....	2
2.2	The Development Program .....	3
<b>3.0</b>	<b>The Capital Improvement Plan</b>	
3.1	Overview .....	3
3.2	CIP .....	3
<b>4.0</b>	<b>Financing Program</b>	
4.1	Overview .....	4
4.2	Types of Bonds Proposed .....	4
<b>5.0</b>	<b>Assessment Methodology</b>	
5.1	Overview .....	5
5.2	Benefit Allocation .....	5
5.3	Assigning Series 2024 Bond Assessments .....	8
5.4	Lienability Test: Special and Peculiar Benefit to the Property .....	9
5.5	Lienability Test: Reasonable and Fair Apportionment of the Duty to Pay .....	10
5.6	True-Up Mechanism .....	10
5.7	Preliminary Assessment Roll .....	12
<b>6.0</b>	<b>Additional Stipulations</b>	
6.1	Overview .....	13
<b>7.0</b>	<b>Appendix</b>	
	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 Preliminary First Supplemental Special Assessment Methodology Report (the "Preliminary First Supplemental Report") was developed to supplement the Master Special Assessment Methodology Report (the "Master Report") dated July 20, 2021 and to provide a supplemental financing plan and a supplemental special assessment methodology for the Phase 1 portion ("Assessment Area One") of the Liberty Cove Community Development District (the "District") located in the William Burgess Overlay District, Nassau County, Florida. This Preliminary First Supplemental Report was developed in relation to funding by the District of a portion of the costs of public infrastructure improvements (the "Capital Improvement Plan" or "CIP") contemplated to be provided by the District for the benefit of Assessment Area One (the "Assessment Area One Project").

### **1.2 Scope of the Preliminary First Supplemental Report**

This Preliminary First Supplemental Report presents the projections for financing a portion of the CIP as described in the Engineer's Report (the "Master Engineer's Report") dated September 23, 2021, prepared by Prosser, Inc., as supplemented by the Supplemental Engineer's Report (the "Supplemental Engineer's Report" dated February 27, 2024, prepared by Connelly & Wicker, Inc. (the "District Engineer"). This Preliminary First Supplemental Report also describes the method for the allocation of special benefits and the apportionment of special assessment debt resulting from the provision and funding of a portion of the Assessment Area One Project by the District.

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

Public infrastructure improvements undertaken and funded by the District as part of the Assessment Area One Project create special and peculiar benefits, different in kind and degree than general benefits, for properties within Assessment Area One as well as general benefits to the public at large and within the District but outside of Assessment Area One. However, as discussed within this Preliminary First Supplemental Report, these general benefits are incidental in nature and are readily distinguishable from the special and peculiar benefits which accrue to property within Assessment Area One. The District's Assessment Area One Project enables properties within Assessment Area One to be developed.

There is no doubt that the general public as well as the landowners within the District but outside of Assessment Area One will benefit from the provision of the Assessment Area One Project. However, these benefits are only incidental since the Assessment Area One Project is designed to provide special benefits peculiar to property within Assessment Area One. Properties outside of Assessment Area One and outside the District are not directly served by the Assessment Area One Project and do not depend upon the Assessment Area One Project to obtain or to maintain their development entitlements. This fact alone clearly distinguishes the special benefits which Assessment Area One properties receive compared to those lying outside of its boundaries and outside of Assessment Area One but within the District.

The Assessment Area One Project will provide public infrastructure improvements which are all necessary in order to make the lands within Assessment Area One developable and saleable. The installation of such improvements will cause the value of the developable and saleable lands within Assessment Area One to increase by more than the sum of the financed cost of the individual components of the Assessment Area One Project. Even though the exact value of the benefits provided by the Assessment Area One Project is hard to estimate at this point, it is without doubt greater than the costs associated with providing the same.

#### **1.4 Organization of the Preliminary First Supplemental Report**

*Section Two* describes the development program as proposed by the Developer, as defined below.

*Section Three* provides a summary of the CIP and the Assessment Area One Project as determined by the District Engineer.

*Section Four* discusses the supplemental financing program for Assessment Area One.

*Section Five* discusses the supplemental special assessment methodology for Assessment Area One.

## **2.0 Development Program**

### **2.1 Overview**

The District serves the Liberty Cove development (the "Development" or "Liberty Cove"), a master planned, residential

development located in the William Burgess Overlay District, Nassau County, Florida. The land within the District currently consists of approximately 312.17 +/- acres. The District is generally located to the north of the Nassau River, south of William Burgess Boulevard, east of I-95, and west of US-17. Assessment Area One within the District accounts for approximately 224.60 +/- acres.

## **2.2 The Development Program**

The development of the Development is anticipated to be conducted by Liberty Cove Nassau, LLC or an affiliated entity (the “Developer”). Based upon the information provided by the Developer, the current development plan envisions 461 Townhomes and 457 Single-family units for a total of 918 residential units developed in two (2) or more phases. Assessment Area One is anticipated to consist of 210 Townhomes and 394 Single-family units for of a total of 604 residential units, although land use types and unit numbers may change throughout the development period. Table 1 in the *Appendix* illustrates the land development plan within the District.

## **3.0 The Capital Improvement Plan**

### **3.1 Overview**

The public infrastructure costs constituting the Capital Improvement Plan to be funded by the District are described by the District Engineer in the Master 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**

The CIP needed to serve the District is projected to consist of stormwater management facilities, utilities, roadways, entry features & landscaping, amenities, and environmental compliance and mitigation as set forth in more detail in the Master Engineer’s Report.

Even though all of the infrastructure included in the CIP will comprise an interrelated system of master improvements, which means that all of the improvements will serve the entire District and all improvements will be interrelated such that they will reinforce one another, according to the Master Engineer’s Report, the public infrastructure improvements are projected to be constructed in two (2) or more construction phases or projects coinciding with the two

(2) or more phases of land development. The Assessment Area One Project consists of that portion of the overall CIP that is necessary for the development of land within Assessment Area One.

The sum of all public infrastructure improvements as described in the Master Engineer's Report will comprise an interrelated system of improvements, which means all of the improvements comprising the overall Capital Improvement Plan, once constructed, will serve the entire District, and improvements will be interrelated such that they will reinforce one another. At the time of this writing, the total costs of the public infrastructure improvements estimated for the Assessment Area One Project estimated at \$56,926,400.00. Table 2 in the *Appendix* illustrates the specific components of the public infrastructure improvements and their costs.

## **4.0 Financing Program**

### **4.1 Overview**

As noted above, the District is embarking on a program of capital improvements which will facilitate the development of lands within the District. Generally, construction of public improvements is either funded by the Developer and then acquired by the District or funded directly by the District. In this instance, the District may acquire public infrastructure from the Developer, construct it directly, or a combination of both.

The District intends to issue its Special Assessment Revenue Bonds, Series 2024 (Assessment Area One Project) in the estimated principal amount of \$11,335,000\* (the "Series 2024 Bonds") to fund an estimated \$9,914,925.00\* in Assessment Area One Project costs, with the balance of the Assessment Area One Project costs anticipated to be contributed by the Developer.

### **4.2 Types of Bonds Proposed**

The proposed supplemental financing plan for the District provides for the issuance of the Series 2024 Bonds in the total estimated principal amount of \$11,335,000\* to finance a portion of the Assessment Area One Project costs in the total amount estimated at \$9,914,925.00\*, representing the amount of construction proceeds generated from the issuance of the Series 2024 Bonds.

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\* Preliminary, subject to change.

The Series 2024 Bonds as projected under this supplemental financing plan are structured to be amortized in 30 annual installments following an approximately 3-month capitalized interest period. Interest payments on the Bonds would be made every May 1 and November 1, and annual principal payments on the Series 2024 Bonds would be made on either every May 1 or November 1.

In order to finance the Assessment Area One Project, the District would need to borrow more funds and incur indebtedness in the total amount estimated at \$11,335,000\*. The difference is comprised of funding a debt service reserve, capitalized interest, and paying the costs of issuance, including the underwriter's discount. Preliminary sources and uses of funding for the Series 2024 Bonds are presented in Table 3 in the *Appendix*.

## **5.0 Assessment Methodology**

### **5.1 Overview**

The issuance of the Series 2024 Bonds provides the District with funds necessary to construct/acquire the Assessment Area One Project as outlined in *Section 3.2* and described in more detail by the District Engineer in the Engineer's Report. These improvements lead to special and general benefits, with special benefits accruing to properties within the boundaries of Assessment Area One. General benefits accrue to areas outside of the District and within the District but outside of Assessment Area One, but are only incidental in nature. The debt incurred in financing the public infrastructure will be secured by assessing the properties within Assessment Area One that derive special and peculiar benefits from the Assessment Area One Project. All properties in Assessment Area One receive benefits from the Assessment Area One Project, which properties will be assessed for their fair share of debt issued in order to finance the Assessment Area One Project.

### **5.2 Benefit Allocation**

The current development plan for the District envisions 461 Townhomes and 457 Single-family units for a total of 918 residential units developed in two (2) or more phases. Assessment Area One is anticipated to consist of 210 Townhomes and 394 Single-family units for a total of 604 residential units, although land use types and unit numbers may change throughout the development period, although

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\* Preliminary, subject to change.

unit numbers, land uses and product types may change throughout the development period.

The master public infrastructure included in the Capital Improvement Plan will comprise an interrelated system of master improvements, which means that all of the master improvements will serve the entire District and such public improvements will be interrelated in such way that, once constructed, they will reinforce each other and their combined benefit will be greater than the sum of their individual benefits. All of the product types within the District will benefit from each infrastructure improvement category, as the improvements provide basic infrastructure to all product types and all phases within the District and benefit all product types in all phases within the District as an integrated system of improvements.

Even though all of the infrastructure included in the CIP will comprise an interrelated system of master improvements, the public infrastructure improvements are projected to be constructed in two (2) or more infrastructure construction phases or projects coinciding with the two (2) or more phases of land development. The Assessment Area One Project consists of that portion of the overall CIP that is necessary for the development of land within Assessment Area One.

As stated previously, the public infrastructure improvements included in the CIP have a logical connection to the special and peculiar benefits received by the land within the District, as without such improvements, the development of the properties within the District would not be possible. Based upon the connection between the improvements and the special and peculiar benefits to the land within the District, the District can assign or allocate a portion of the District's debt through the imposition of non-ad valorem assessments, to the land receiving such special and peculiar benefits. Even though these special and peculiar benefits are real and ascertainable, the precise amount of the benefit cannot yet be calculated with mathematical certainty. However, such benefit is more valuable than the assessment related to the financed cost of constructing the improvements.

In following the Master Report, this Preliminary First Supplemental Report proposes to allocate the benefit associated with the Assessment Area One Project to the different unit types proposed to be developed within Assessment Area One within the District in proportion to their density of development and intensity of use of infrastructure as measured by a standard unit called an Equivalent Residential Unit ("ERU"). Table 4 in the *Appendix* illustrates the ERU



weights that are proposed to be assigned to the unit types contemplated to be developed within Assessment Area One within the District based on the densities of development and the intensities of use of infrastructure, total ERU counts for each unit type, and the share of the benefit received by each unit type.

The rationale behind the different ERU values is supported by the fact that generally and on average units with smaller lot sizes will use and benefit from the improvements which are part of the CIP less than units with larger lot sizes, as, for instance, generally and on average units with smaller lot sizes will produce less storm water runoff, may produce fewer vehicular trips, and may need less water/sewer capacity than units with larger lot sizes. Additionally, the value of the units with larger lot sizes is likely to appreciate by more in terms of dollars than that of the units with smaller lot sizes as a result of the implementation of the infrastructure improvements. As the exact amount of the benefit and appreciation is not possible to be calculated at this time, the use of ERU measures serves as a reasonable approximation of the relative amount of benefit received by representatives of different unit types from the District's CIP.

Table 5 in the *Appendix* presents the allocation of the amount of Assessment Area One Project costs allocated to Assessment Area One to the various unit types proposed to be developed in Assessment Area One based on the ERU benefit allocation factors present in Table 4. Further, Table 5 illustrates the approximate costs that are projected to be financed with the Series 2024 Bonds, and the approximate costs of the portion of the Assessment Area One Project costs allocable to Assessment Area One to be contributed by the Developer. With the Series 2024 Bonds funding approximately \$9,914,925.00\* in costs of the Assessment Area One Project, the Developer is anticipated to fund improvements valued at an estimated amount of \$47,011,475.00\* which will not be funded with proceeds of the Series 2024 Bonds.

Finally, Table 6 in the *Appendix* presents the apportionment of the non-ad valorem special assessments securing the Series 2024 Bonds (herein, the "Series 2024 Bond Assessments") and also present the annual levels of the projected annual debt service assessments per unit.

No Series 2024 Bond Assessments are allocated herein to any private amenities or other common areas planned for the Development. If owned by a homeowner's association, the amenities and common areas would be considered a common element for the exclusive benefit of property owners. Accordingly,

any benefit to the amenities and common areas would directly benefit all of the platted lots in the District. As such, no Series 2024 Bond Assessments will be assigned to the amenities and common areas. If the amenities are owned by the District, then they would be governmental property not subject to the Series 2024 Bond Assessments and would be open to the general public, subject to District rules and policies.

### **5.3 Assigning Series 2024 Bond Assessments**

As the land in the District is not yet platted for its intended final use and the precise location of the various product types by lot or parcel is unknown, the Series 2024 Bond Assessments will initially be levied on all of the land in Assessment Area One on an equal pro-rata gross acre basis. Consequently, the Series 2024 Bond Assessments in the estimated amount of \$11,335,000\* are proposed to be preliminarily levied on approximately 224.60 +/- gross acres contained within Assessment Area One at the estimated rate of \$50,467.50\* per gross acre.

When the land is platted within Assessment Area One, the Series 2024 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 6 in the *Appendix* for the Series 2024 Bond Assessments. Such allocation of Series 2024 Bond Assessments from unplatted gross acres to platted parcels will reduce the amounts of Series 2024 Bond Assessments levied on unplatted gross acres within Assessment Area One.

In the event unplatted land within Assessment Area One is sold to a third party (the “Transferred Property”), the Series 2024 Bond Assessments will be assigned to such Transferred Property at the time of the sale based on the maximum total number of ERUs assigned by the Developer to that Transferred Property, subject to review by the District’s methodology consultant, to ensure that any such assignment is reasonable, supported by current development rights and plans, and otherwise consistent with this Preliminary First Supplemental Report. The owner of the Transferred Property will be responsible for the total Series 2024 Bond Assessments applicable to the Transferred Property, regardless of the total number of ERUs ultimately actually platted. This total Series 2024 Bond Assessment is allocated to the Transferred Property at the time of the sale. If the Transferred Property is subsequently sub-divided into smaller parcels, the total Series 2024 Bond Assessments initially allocated to the Transferred Property will be re-allocated to the smaller parcels

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\* Preliminary, subject to change.

pursuant to the methodology as described herein (i.e., equal assessment per gross acre until platting).

**Common Areas.** All amenities and common areas not owned by the District and within the District will be owned and operated by a homeowners'/property owners' association(s) for the benefit of the District landowners and are considered a common element for the exclusive benefit of residents and landowners. Accordingly, any benefit from the amenities and common areas owned by a homeowners'/property owners' association flows directly to the benefit of all land within the District. For this reason, no Series 2024 Bond Assessments will be assigned to the amenities and common areas.

**Government Property.** Real property owned by units of local, state, and federal governments, or similarly exempt entities, shall not be subject to the Series 2024 Bond Assessments without specific consent thereto. If at any time, any real property on which Series 2024 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 Series 2024 Bond Assessments for such tax parcel shall become due and payable immediately prior to such transfer without any further action of the District.

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

As first discussed in *Section 1.3*, Special Benefits and General Benefits, improvements undertaken by the District create special and peculiar benefits to certain properties within Assessment Area One within the District. The District's improvements benefit assessable properties within Assessment Area One within the District and accrue to all such assessable properties on an ERU basis.

Improvements undertaken by the District can be shown to be creating special and peculiar benefits to the property within the District. The special and peculiar benefits resulting from each improvement are:

- a. added use of the property;
- b. added enjoyment of the property;
- c. decreased insurance premiums; and
- d. increased marketability and value of the property.

Specifically to Assessment Area One, the improvements which are part of the Assessment Area One Project make the land in Assessment Area One developable and saleable and when

implemented jointly as parts of the CIP, provide special and peculiar benefits which are greater than the benefits of any single category of improvements. These special and peculiar benefits are real and ascertainable, but not yet capable of being calculated and assessed in terms of numerical value; however, such benefits are more valuable than either the cost of, or the actual assessment levied for, the improvement or debt allocated to the parcel of land.

### **5.5 Lienability Test: Reasonable and Fair Apportionment of the Duty to Pay**

A reasonable estimate of the proportion of special and peculiar benefits received by the various product types from the improvements is delineated in Table 4 (expressed as the ERU factors) in the *Appendix*.

The apportionment of the Series 2024 Bond Assessments is fair and reasonable because it was conducted on the basis of consistent application of the methodology described in *Section 5.2* across all assessable property within Assessment Area One according to reasonable estimates of the special and peculiar benefits derived from the Assessment Area One Project.

Accordingly, no acre or parcel of property within Assessment Area One within the District will be liened for the payment of any Series 2024 Bond Assessments more than the determined special benefit peculiar to that property.

### **5.6 True-Up Mechanism**

The District's assessment program for Assessment Area One is predicated on the development of lots in a manner sufficient to include all of the planned Equivalent Residential Units ("ERUs") as set forth in Table 1 in the *Appendix* ("Development Plan"). At such time as any lands are to be platted or site plans are to be 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 Series 2024 Bond Assessments) able to be imposed on the "Remaining Unplatted Developable Lands" (i.e., those remaining unplatted developable lands within Assessment Area One after the Proposed Plat is recorded) as compared to what was originally contemplated under the Development Plan, then the District shall allocate the Series 2024 Bond Assessments to the product types being platted and the remaining property in accordance with this

Final Supplemental Report, and cause the Series 2024 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 Series 2024 Bond Assessments) able to be imposed on the Remaining Unplatted Developable Lands as compared to what was originally contemplated under the Development Plan, then the District may undertake a pro rata reduction of Series 2024 Bond Assessments for all unplatted assessed properties within Assessment Area One, 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 Series 2024 Bond Assessments) able to be imposed on the Remaining Unplatted Developable 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 and other applicable lands within Assessment Area One as determined by the District Assessment Consultant to pay a "True-Up Payment" equal to the shortfall in Series 2024 Bond Assessments (plus applicable interest, collection costs, penalties, etc.).

With respect to the foregoing true-up analysis, the District's Assessment Consultant, in consultation with the District Engineer and District Counsel, shall determine in their sole discretion what amount of ERUs (and thus Series 2024 Bond Assessments) are able to be imposed on the Remaining Unplatted Developable 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 revised, 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 Platted Lands, d) evidence of allowable zoning conditions that would enable those entitlements to be placed in accordance with the revised Development Plan, and e) documentation that shows the feasibility of implementing the proposed Development Plan. Prior to any decision by the District not to impose a true-up payment, a supplemental methodology shall be produced demonstrating that there will be sufficient Series 2024 Bond Assessments to pay debt service on the Series 2024 Bonds and the District will conduct new proceedings under Chapters 170, 190 and 197, Florida Statutes upon the advice of District Counsel.

Any True-Up Payment shall become due and payable prior to the recordation of the Proposed Plat by the landowner of the lands

subject to the Proposed Plat, shall be in addition to the regular assessment installment payable for such lands, and shall constitute part of the debt assessment liens imposed against the Proposed Plat property until paid. A True-Up Payment shall include accrued interest on the Series 2024 Bonds to the interest payment date that occurs at least 45 days after the True-Up Payment (or the second succeeding interest payment date if such True-Up Payment is made within forty-five (45) calendar days before an interest payment date (or such other time as set forth in the supplemental indentures for the applicable bond series)).

All Series 2024 Bond Assessments levied run with the land, and such Series 2024 Bond Assessment liens include any true-up payment. The District will not release any liens on property for which True-Up Payments are due, until payment has been satisfactorily made. Further, upon the District's review of the final plat for Assessment Area One, any unallocated Series 2024 Bond Assessments shall become due and payable and must be paid prior to the District's approval of that re-plat. This true-up process applies for both plats and/or re-plats.

Such review shall be limited solely to the function and the enforcement of the District's assessment liens and/or the need for any True-Up Payments. Nothing herein shall in any way operate to or be construed as providing any other plat approval or disapproval powers to the District. For further detail on the true-up process, please refer to the True-Up Agreement and applicable assessment resolution(s).

## **5.7 Preliminary Assessment Roll**

Based on the per gross acre assessment proposed in Section 5.2, the Series 2024 Bond Assessments in the estimated amount of \$11,335,000\* are proposed to be levied uniformly over the area described in Exhibit "A". Excluding any capitalized interest period, debt service assessments shall be paid in thirty (30) annual installments of principal and corresponding semi-annual installments of interest for the Series 2024 Bonds.

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\* Preliminary, subject to change.

## 6.0 Additional Stipulations

### 6.1 Overview

Wrathell, Hunt and Associates, LLC was retained by the District to prepare a methodology to fairly allocate the special assessments related to the District's CIP. Certain financing, development and engineering data was provided by members of District Staff and/or the Developer. The allocation methodology described herein was based on information provided by those professionals. Wrathell, Hunt and Associates, LLC makes no representations regarding said information transactions beyond restatement of the factual information necessary for compilation of this Preliminary First Supplemental Report. For additional information on the structure of the Series 2024 Bonds 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

### Liberty Cove

#### Community Development District

##### Development Plan

Product Type	Assessment Area One Number of Units	Future Phase(s) Number of Units	Total Number of Units
Townhome	210	251	461
Single-Family	394	63	457
<b>Total</b>	<b>604</b>	<b>314</b>	<b>918</b>

Table 2

### Liberty Cove

#### Community Development District

##### 2024 Project - CIP Costs

Improvement	Total Costs
Stormwater System	\$ 12,583,000.00
Sanitary Sewer	\$ 7,162,000.00
Water Distribution	\$ 4,775,000.00
Reclaimed Water Distribution	\$ 3,980,000.00
Undergrounding of Electrical Conduit	\$ 430,000.00
Conservation/ Mitigation	\$ 1,730,000.00
Landscape/ Hardscape/ Irrigation	\$ 6,333,000.00
On-site Roadways	\$ 8,154,000.00
Off-site Roadways	-
Contingency (20%)	\$ 9,029,400.00
Professional Fees	\$ 2,750,000.00
<b>Total</b>	<b>\$ 56,926,400.00</b>



Table 3

# Liberty Cove

## Community Development District

Preliminary Sources and Uses of Funds

<u>Sources</u>	Series 2024 Bonds
Bond Proceeds:	
Par Amount	\$11,335,000.00
<b>Total Sources</b>	<b>\$11,335,000.00</b>
<u>Uses</u>	
Project Fund Deposits:	
Project Fund	\$9,914,925.00
Other Fund Deposits:	
Debt Service Reserve Fund	\$823,350.00
Capitalized Interest Fund	\$226,700.00
	<b>\$1,050,050.00</b>
Delivery Date Expenses:	
Costs of Issuance	\$200,000.00
Underwriter's Discount	\$170,025.00
	<b>\$370,025.00</b>
<b>Total Uses</b>	<b>\$11,335,000.00</b>

Financing Assumptions

Coupon Rate: 6%  
 Capitalized Interest Period: 3 months  
 Term: 30 Years  
 Underwriter's Discount: 1.5%  
 Cost of Issuance: \$200,000

Table 4

# Liberty Cove

## Community Development District

Benefit Allocation

Product Type	Total Number of Units	ERU Weight	Total ERU
Townhome	461	0.50	230.50
Single-Family	457	1.00	457.00
<b>Total</b>	<b>918</b>		<b>687.50</b>

Product Type	Assessment Area One Number of Units	ERU Weight	Assessment Area One Total ERU	Percent of Total ERU
Townhome	210	0.50	105.00	
Single-Family	394	1.00	394.00	
<b>Total</b>	<b>604</b>		<b>499.00</b>	<b>72.58%</b>

Product Type	Future Phase(s) Number of Units	ERU Weight	Future Phase(s) Total ERU	Percent of Total ERU
Townhome	251	0.50	125.50	
Single-Family	63	1.00	63.00	
<b>Total</b>	<b>314</b>		<b>188.50</b>	<b>27.42%</b>

Table 5

## Liberty Cove

### Community Development District

#### Project Cost Allocation

Product Type	2024 Project Costs Allocation Based on ERU Method	2024 Project Costs Financed with Series 2024 Bonds	2024 Project Costs Contributed by the Developer
Townhome	\$37,900,600.53	\$2,086,306.86	\$35,814,293.67
Single-Family	\$19,025,799.47	\$7,828,618.14	\$11,197,181.33
<b>Total</b>	<b>\$56,926,400.00</b>	<b>\$9,914,925.00</b>	<b>\$47,011,475.00</b>

Table 6

## Liberty Cove

### Community Development District

#### Bond Assessment Apportionment

Product Type	Future Phase(s) Number of Units	Total Cost Allocation*	Total Series 2024 Bond Assessments Apportionment	Series 2024 Bond Assessments Apportionment per Unit	Annual Debt Service Payment per Unit**
Townhome	210	\$37,900,600.53	\$2,385,120.24	\$11,357.72	\$887.10
Single-Family	394	\$19,025,799.47	\$8,949,879.76	\$22,715.43	\$1,774.19
<b>Total</b>	<b>604</b>	<b>\$56,926,400.00</b>	<b>\$11,335,000.00</b>		

\* Please note that cost allocations to units herein are based on the ERU benefit allocation illustrated in Table 4

\*\* Include applicable costs of collection (3%) and early payment discounts (4%) which are subject to change.

## EXHIBIT "A"

Series 2024 Bond Assessments in the estimated amount of \$11,335,000\* are proposed to be levied uniformly over the area described below:

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\* Preliminary, subject to change.

**LEGAL DESCRIPTION**

LIBERTY COVE PHASE 1 - PARKWAY

01/18/2022

**ADJOINER PLAT REFERENCE NOT INCLUDED AT THIS TIME**

09/05/2023

A PARCEL OF LAND SITUATE IN SECTIONS 8, 17 AND THE JOHN UPTERGROVE GRANT, SECTION 45, TOWNSHIP 2 NORTH, RANGE 27 EAST, NASSAU COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

FOR A POINT OF REFERENCE COMMENCE AT THE NORTHWEST CORNER OF SAID SECTION 8; THENCE SOUTH 00°38'06" EAST, ALONG THE WEST LINE OF SAID SECTION 8, A DISTANCE OF 2,558.41 FEET TO THE SOUTHWEST CORNER OF LANDS DESCRIBED IN OFFICIAL RECORDS BOOK 936, PAGE 890, OF THE PUBLIC RECORDS OF NASSAU COUNTY, FLORIDA; THENCE NORTH 88°06'24" EAST, ALONG THE SOUTHERLY LINE OF SAID LANDS DESCRIBED IN OFFICIAL RECORDS BOOK 936, PAGE 890, AND LANDS DESCRIBED IN OFFICIAL RECORDS BOOK 2409, PAGE 1467 OF THE PUBLIC RECORDS OF NASSAU COUNTY, A DISTANCE OF 1,154.22 FEET TO THE **POINT OF BEGINNING** AND A CURVE TURNING TO THE LEFT WITH A RADIUS OF 360.00 FEET, HAVING A CHORD BEARING OF NORTH 40°24'19" EAST AND A CHORD DISTANCE OF 81.17, HAVING A CENTRAL ANGLE OF 12°56'48" AND AN ARC LENGTH OF 81.35 FEET; THENCE NORTH 33°55'55" EAST, A DISTANCE OF 220.32 FEET; THENCE IN A NORTHERLY DIRECTION WITH A TANGENT CURVE TURNING TO THE LEFT WITH A RADIUS OF 260.00 FEET, HAVING A CHORD BEARING OF NORTH 16°17'00" EAST AND A CHORD DISTANCE OF 157.65, HAVING A CENTRAL ANGLE OF 35°17'49" AND AN ARC LENGTH OF 160.17 FEET; THENCE NORTH 01°21'54" WEST, A DISTANCE OF 94.56 FEET; THENCE IN A NORTHERLY DIRECTION WITH A TANGENT CURVE TURNING TO THE LEFT WITH A RADIUS OF 237.50 FEET, HAVING A CHORD BEARING OF NORTH 15°53'37" WEST AND A CHORD DISTANCE OF 119.16, HAVING A CENTRAL ANGLE OF 29°03'25" AND AN ARC LENGTH OF 120.45 FEET; THENCE IN A NORTHERLY DIRECTION WITH A REVERSE TANGENT CURVE TURNING TO THE RIGHT WITH A RADIUS OF 432.50 FEET, HAVING A CHORD BEARING OF NORTH 01°45'40" WEST AND A CHORD DISTANCE OF 414.87 FEET, HAVING A CENTRAL ANGLE OF 57°19'18" AND AN ARC LENGTH OF 432.70 FEET TO A *POINT*; THENCE NORTH 26°53'59" EAST, A DISTANCE OF 96.51 FEET; THENCE SOUTH 63°06'01" EAST, A DISTANCE OF 179.51 FEET; THENCE IN A SOUTHEASTERLY DIRECTION WITH A TANGENT CURVE TURNING TO THE RIGHT WITH A RADIUS OF 925.00 FEET, HAVING A CHORD BEARING OF SOUTH 60°18'07" EAST AND A CHORD DISTANCE OF 90.32, HAVING A CENTRAL ANGLE OF 05°35'48" AND AN ARC LENGTH OF 90.35 FEET; THENCE SOUTH 57°30'14" EAST, A DISTANCE OF 234.54 FEET; THENCE SOUTH 30°12'22" WEST, A DISTANCE OF 390.53 FEET; THENCE NORTH 89°40'38" WEST, A DISTANCE OF 68.74 FEET; THENCE SOUTH 01°21'54" EAST, A DISTANCE OF 116.75 FEET; THENCE IN A SOUTHERLY DIRECTION WITH A NON-TANGENT CURVE TURNING TO THE RIGHT WITH A RADIUS OF 430.00 FEET, HAVING A CHORD BEARING OF SOUTH 16°15'49" WEST AND A CHORD DISTANCE OF 260.53 FEET, HAVING A CENTRAL ANGLE OF 35°16'07" AND AN ARC LENGTH OF 264.69 FEET TO A *POINT*; THENCE SOUTH 33°55'55" WEST, A DISTANCE OF 220.27 FEET; THENCE IN A SOUTHWESTERLY DIRECTION WITH A NON-TANGENT CURVE TURNING TO THE RIGHT WITH A RADIUS OF 530.00 FEET, HAVING A CHORD BEARING OF SOUTH 41°27'23" WEST AND A CHORD DISTANCE OF 139.41 FEET, HAVING A CENTRAL ANGLE OF 15°06'53" AND AN ARC LENGTH OF 139.81 FEET TO A *POINT*; THENCE SOUTH 49°00'49" WEST, A DISTANCE OF 502.90 FEET; THENCE IN A SOUTHWESTERLY DIRECTION WITH A NON-TANGENT CURVE TURNING TO THE LEFT WITH A RADIUS OF 470.00 FEET, HAVING A CHORD BEARING OF

SOUTH 25°03'43" WEST AND A CHORD DISTANCE OF 381.58 FEET, HAVING A CENTRAL ANGLE OF 47°54'00" AND AN ARC LENGTH OF 392.93 FEET TO A *POINT*; THENCE SOUTH 01°07'24" WEST, A DISTANCE OF 331.15 FEET; THENCE NORTH 67°24'46" EAST, A DISTANCE OF 128.82 FEET; THENCE SOUTH 24°05'46" EAST, A DISTANCE OF 289.60 FEET; THENCE NORTH 67°52'48" EAST, A DISTANCE OF 217.88 FEET; THENCE SOUTH 22°07'12" EAST, A DISTANCE OF 704.25 FEET; THENCE NORTH 77°21'42" WEST, A DISTANCE OF 323.21 FEET; THENCE IN A WESTERLY DIRECTION WITH A TANGENT CURVE TURNING TO THE LEFT WITH A RADIUS OF 265.00 FEET, HAVING A CHORD BEARING OF NORTH 82°33'07" WEST AND A CHORD DISTANCE OF 47.95, HAVING A CENTRAL ANGLE OF 10°22'52" AND AN ARC LENGTH OF 48.01 FEET; THENCE NORTH 87°44'33" WEST, A DISTANCE OF 201.56 FEET; THENCE IN A WESTERLY DIRECTION WITH A NON-TANGENT CURVE TURNING TO THE RIGHT WITH A RADIUS OF 699.03 FEET, HAVING A CHORD BEARING OF NORTH 85°44'17" WEST AND A CHORD DISTANCE OF 70.75 FEET, HAVING A CENTRAL ANGLE OF 05°48'07" AND AN ARC LENGTH OF 70.79 FEET TO A *POINT*; THENCE NORTH 82°50'13" WEST, A DISTANCE OF 111.15 FEET; THENCE NORTH 82°42'49" WEST , A DISTANCE OF 57.60 FEET; THENCE SOUTH 56°35'26" WEST, A DISTANCE OF 45.03 FEET; THENCE SOUTH 09°06'54" WEST, A DISTANCE OF 19.16 FEET; THENCE IN A SOUTHERLY DIRECTION WITH A NON-TANGENT CURVE TURNING TO THE LEFT WITH A RADIUS OF 1965.00 FEET, HAVING A CHORD BEARING OF SOUTH 11°52'36" EAST AND A CHORD DISTANCE OF 1402.05 FEET, HAVING A CENTRAL ANGLE OF 41°48'08" AND AN ARC LENGTH OF 1433.64 FEET TO A *POINT*; THENCE SOUTH 32°46'40" EAST, A DISTANCE OF 15.90 FEET; THENCE NORTH 56°23'44" EAST , A DISTANCE OF 25.00 FEET; THENCE SOUTH 32°46'40" EAST, A DISTANCE OF 114.25 FEET; THENCE NORTH 57°13'20" EAST, A DISTANCE OF 621.65 FEET; THENCE SOUTH 26°35'28" EAST, A DISTANCE OF 1020.23 FEET; THENCE SOUTH 67°09'00" WEST, A DISTANCE OF 501.59 FEET; THENCE SOUTH 85°08'01" WEST , A DISTANCE OF 216.61 FEET; THENCE IN A NORTHERLY DIRECTION WITH A NON-TANGENT CURVE TURNING TO THE LEFT WITH A RADIUS OF 1365.00 FEET, HAVING A CHORD BEARING OF NORTH 08°53'08" WEST AND A CHORD DISTANCE OF 191.35 FEET, HAVING A CENTRAL ANGLE OF 08°02'19" AND AN ARC LENGTH OF 191.51 FEET TO A *POINT*; THENCE SOUTH 77°05'42" WEST , A DISTANCE OF 80.00 FEET; THENCE IN A NORTHWESTERLY DIRECTION WITH A NON-TANGENT CURVE TURNING TO THE LEFT WITH A RADIUS OF 1285.00 FEET, HAVING A CHORD BEARING OF NORTH 22°50'29" WEST AND A CHORD DISTANCE OF 443.47 FEET, HAVING A CENTRAL ANGLE OF 19°52'23" AND AN ARC LENGTH OF 445.70 FEET TO A *POINT*; THENCE NORTH 32°46'40" WEST , A DISTANCE OF 318.37 FEET; THENCE SOUTH 51°13'21" WEST , A DISTANCE OF 50.27 FEET; THENCE IN A NORTHERLY DIRECTION WITH A NON-TANGENT CURVE TURNING TO THE RIGHT WITH A RADIUS OF 2085.00 FEET, HAVING A CHORD BEARING OF NORTH 20°00'15" WEST AND A CHORD DISTANCE OF 930.04 FEET, HAVING A CENTRAL ANGLE OF 25°46'27" AND AN ARC LENGTH OF 937.93 FEET TO A *POINT*; THENCE NORTH 86°52'15" EAST , A DISTANCE OF 11.59 FEET; THENCE NORTH 03°07'45" WEST , A DISTANCE OF 290.00 FEET; THENCE SOUTH 86°52'15" WEST , A DISTANCE OF 11.59 FEET; THENCE IN A NORTHERLY DIRECTION WITH A NON-TANGENT CURVE TURNING TO THE RIGHT WITH A RADIUS OF 2085.00 FEET, HAVING A CHORD BEARING OF NORTH 05°44'56" EAST AND A CHORD DISTANCE OF 355.48 FEET, HAVING A CENTRAL ANGLE OF 09°46'50" AND AN ARC LENGTH OF 355.91 FEET TO A *POINT*; THENCE NORTH 62°54'22" WEST , A DISTANCE OF 52.78 FEET; THENCE NORTH 36°40'24" EAST , A DISTANCE OF 67.10 FEET; THENCE NORTH 14°23'13" EAST , A DISTANCE OF 50.06 FEET; THENCE SOUTH 62°54'22" EAST , A DISTANCE OF 9.36 FEET; THENCE IN A NORTHERLY DIRECTION WITH A NON-TANGENT CURVE TURNING TO THE RIGHT WITH A RADIUS OF 2097.50 FEET, HAVING A CHORD BEARING OF NORTH 16°02'47" EAST AND A CHORD DISTANCE OF 150.63 FEET, HAVING A CENTRAL ANGLE OF 04°06'55" AND AN ARC LENGTH OF 150.66 FEET TO A *POINT*; THENCE IN A NORTHERLY DIRECTION WITH A REVERSE TANGENT CURVE TURNING TO THE LEFT WITH A RADIUS OF

652.50 FEET, HAVING A CHORD BEARING OF NORTH 05°18'23" EAST AND A CHORD DISTANCE OF 289.07 FEET, HAVING A CENTRAL ANGLE OF 25°35'43" AND AN ARC LENGTH OF 291.49 FEET TO A *POINT*; THENCE IN A NORTHERLY DIRECTION WITH A REVERSE TANGENT CURVE TURNING TO THE RIGHT WITH A RADIUS OF 597.50 FEET, HAVING A CHORD BEARING OF NORTH 03°11'03" WEST AND A CHORD DISTANCE OF 89.75 FEET, HAVING A CENTRAL ANGLE OF 08°36'52" AND AN ARC LENGTH OF 89.83 FEET TO A *POINT*; THENCE NORTH 01°07'24" EAST , A DISTANCE OF 331.24 FEET; THENCE IN A NORTHERLY DIRECTION WITH A TANGENT CURVE TURNING TO THE RIGHT WITH A RADIUS OF 640.00 FEET, HAVING A CHORD BEARING OF NORTH 01°33'58" EAST AND A CHORD DISTANCE OF 9.89, HAVING A CENTRAL ANGLE OF 00°53'08" AND AN ARC LENGTH OF 9.89 FEET; THENCE IN A NORTHERLY DIRECTION WITH A COMPOUND TANGENT CURVE TURNING TO THE RIGHT WITH A RADIUS OF 640.00 FEET, HAVING A CHORD BEARING OF NORTH 04°14'51" EAST AND A CHORD DISTANCE OF 50.00 FEET HAVING A CENTRAL ANGLE OF 04°28'39" AND AN ARC LENGTH OF 50.01 FEET TO A *POINT*; THENCE IN A NORTHEASTERLY DIRECTION WITH A COMPOUND TANGENT CURVE TURNING TO THE RIGHT WITH A RADIUS OF 640.00 FEET, HAVING A CHORD BEARING OF NORTH 25°24'10" EAST AND A CHORD DISTANCE OF 414.96 FEET HAVING A CENTRAL ANGLE OF 37°49'59" AND AN ARC LENGTH OF 422.60 FEET TO A *POINT*; THENCE IN A NORTHEASTERLY DIRECTION WITH A COMPOUND TANGENT CURVE TURNING TO THE RIGHT WITH A RADIUS OF 640.00 FEET, HAVING A CHORD BEARING OF NORTH 46°33'29" EAST AND A CHORD DISTANCE OF 50.00 FEET HAVING A CENTRAL ANGLE OF 04°28'39" AND AN ARC LENGTH OF 50.01 FEET TO A *POINT*; THENCE IN A NORTHEASTERLY DIRECTION WITH A COMPOUND TANGENT CURVE TURNING TO THE RIGHT WITH A RADIUS OF 640.00 FEET, HAVING A CHORD BEARING OF NORTH 48°52'39" EAST AND A CHORD DISTANCE OF 1.80 FEET HAVING A CENTRAL ANGLE OF 00°09'41" AND AN ARC LENGTH OF 1.80 FEET TO A *POINT*; THENCE NORTH 48°59'09" EAST, A DISTANCE OF 516.92 FEET TO THE POINT OF BEGINNING.

**LEGAL DESCRIPTION**  
LIBERTY COVE - PHASE 1, UNIT 1  
**ADJOINER PLAT REFERENCE NOT INCLUDED AT THIS TIME**  
**09/05/2023**

A PARCEL OF LAND SITUATE IN SECTION 8 AND THE JOHN UPTERGROVE GRANT, SECTION 45, TOWNSHIP 2 NORTH, RANGE 27 EAST, NASSAU COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

**PARCEL "A"**

FOR A POINT OF REFERENCE COMMENCE AT THE NORTHWEST CORNER OF SAID SECTION 8; THENCE SOUTH 00°38'06" EAST, ALONG THE WEST LINE OF SAID SECTION 8, A DISTANCE OF 2,558.41 FEET TO THE SOUTHWEST CORNER OF LANDS DESCRIBED IN OFFICIAL RECORDS BOOK 936, PAGE 888, AND THE **POINT OF BEGINNING**; THENCE CONTINUE SOUTH 00°38'06" EAST, ALONG THE WEST LINE OF SAID SECTION 8, A DISTANCE OF 592.73 FEET; THENCE SOUTH 88°52'36" EAST, A DISTANCE OF 320.73 FEET; THENCE SOUTH 01°07'24" WEST, A DISTANCE OF 110.82 FEET; THENCE SOUTH 88°52'36" EAST, A DISTANCE OF 64.41 FEET TO THE BEGINNING OF A CURVE CONCAVE TO THE SOUTH HAVING A RADIUS OF 711.00 FEET; THENCE EASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 04°21'58", AN ARC DISTANCE OF 54.18 FEET AND BEING SUBTENDED BY A CHORD BEARING SOUTH 86°41'37" EAST A DISTANCE OF 54.17 FEET; THENCE SOUTH 85°17'44" EAST A DISTANCE OF 103.66 FEET TO THE WESTERLY LINE OF "*LIBERTY COVE PARKWAY*", AND A POINT ON A NON-TANGENT CURVE CONCAVE TO THE SOUTHEAST HAVING A RADIUS OF 640.00 FEET; THENCE NORTHEASTERLY ALONG THE WESTERLY LINE OF SAID "*LIBERTY COVE PARKWAY*", AND ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 43°32'45", AN ARC DISTANCE OF 486.41 FEET AND BEING SUBTENDED BY A CHORD BEARING NORTH 27°14'18" EAST A DISTANCE OF 474.79 FEET; THENCE NORTH 49°00'49" EAST, CONTINUING ALONG THE WESTERLY LINE OF SAID "*LIBERTY COVE PARKWAY*", A DISTANCE OF 502.75 FEET TO THE BEGINNING OF A CURVE CONCAVE TO THE NORTHWEST HAVING A RADIUS OF 360.61 FEET; THENCE NORTHEASTERLY ALONG THE WESTERLY LINE OF SAID "*LIBERTY COVE PARKWAY*", AND ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 05°34'56", AN ARC DISTANCE OF 35.13 FEET AND BEING SUBTENDED BY A CHORD BEARING NORTH 46°13'18" EAST A DISTANCE OF 35.12 FEET; THENCE NORTH 44°46'56" WEST A DISTANCE OF 8.68 FEET TO THE BEGINNING OF A CURVE CONCAVE TO THE SOUTHWEST HAVING A RADIUS OF 211.00 FEET; THENCE NORTHWESTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 11°17'09", AN ARC DISTANCE OF 41.56 FEET AND BEING SUBTENDED BY A CHORD BEARING NORTH 50°25'31" WEST A DISTANCE OF 41.49 FEET; THENCE NORTH 56°04'05" WEST A DISTANCE OF 34.83 FEET; THENCE NORTH 11°04'05" WEST A DISTANCE OF 28.28 FEET; THENCE NORTH 33°55'55" EAST A DISTANCE OF 12.00 FEET; THENCE NORTH 56°04'05" WEST A DISTANCE OF 30.00 FEET; THENCE SOUTH 33°55'55" WEST A DISTANCE OF 8.00 FEET; THENCE SOUTH 78°55'55" WEST A DISTANCE OF 28.28 FEET; THENCE NORTH 56°04'05" WEST A DISTANCE OF 11.05 FEET; THENCE SOUTH 33°55'55" WEST A DISTANCE OF 30.00 FEET; THENCE SOUTH 56°04'05" EAST A DISTANCE OF 11.05

FEET; THENCE SOUTH 33°55'55" WEST A DISTANCE OF 16.89 FEET TO THE BEGINNING OF A CURVE CONCAVE TO THE NORTHWEST HAVING A RADIUS OF 165.00 FEET; THENCE SOUTHWESTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 15°04'54", AN ARC DISTANCE OF 43.43 FEET AND BEING SUBTENDED BY A CHORD BEARING SOUTH 41°28'22" WEST A DISTANCE OF 43.31 FEET; THENCE SOUTH 49°00'49" WEST A DISTANCE OF 69.44 FEET; THENCE SOUTH 88°06'24" WEST A DISTANCE OF 939.44 FEET TO THE POINT OF BEGINNING.

**PARCEL "B"**

FOR A POINT OF REFERENCE COMMENCE AT THE NORTHWEST CORNER OF SAID SECTION 8; THENCE SOUTH 00°38'06" EAST, ALONG THE WEST LINE OF SAID SECTION 8, A DISTANCE OF 3,822.30 FEET TO THE **POINT OF BEGINNING**; THENCE CONTINUE SOUTH 00°38'06" EAST, ALONG THE WEST LINE OF SAID SECTION 8, A DISTANCE OF 130.97 FEET TO INTERSECT THE NORTH LINE OF SAID SECTION 45; THENCE SOUTH 67°10'16" WEST, ALONG THE NORTH LINE OF SAID SECTION 45, A DISTANCE OF 217.65 FEET; THENCE SOUTH 89°59'17" EAST , A DISTANCE OF 217.24 FEET; TO THE BEGINNING OF A CURVE CONCAVE TO THE SOUTHWEST HAVING A RADIUS OF 657.50 FEET; THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 27°04'56", AN ARC DISTANCE OF 310.78 FEET AND BEING SUBTENDED BY A CHORD BEARING SOUTH 76°26'50" EAST A DISTANCE OF 307.90 FEET; THENCE SOUTH 62°54'22" EAST , A DISTANCE OF 160.38 FEET TO THE WESTERLY LINE OF "*LIBERTY COVE PARKWAY*", AND A POINT ON A NON-TANGENT CURVE CONCAVE TO THE SOUTHEAST HAVING A RADIUS OF 2,097.50 FEET; THENCE NORTHEASTERLY ALONG THE WESTERLY LINE OF SAID "*LIBERTY COVE PARKWAY*", AND ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 04°06'55", AN ARC DISTANCE OF 150.66 FEET AND BEING SUBTENDED BY A CHORD BEARING NORTH 16°02'47" EAST A DISTANCE OF 150.63 FEET TO A POINT OF REVERSE CURVATURE OF A CURVE CONCAVE TO THE NORTHWEST HAVING A RADIUS OF 652.50 FEET; THENCE CONTINUE ALONG THE WESTERLY LINE OF SAID "*LIBERTY COVE PARKWAY*", AND ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 18°20'16", AN ARC DISTANCE OF 208.83 FEET AND BEING SUBTENDED BY A CHORD BEARING NORTH 08°56'06" EAST A DISTANCE OF 207.94 FEET; THENCE NORTH 88°52'36" WEST A DISTANCE OF 534.22 FEET TO THE POINT OF BEGINNING.



**LEGAL DESCRIPTION**  
LIBERTY COVE - PHASE 1, UNIT 2  
**ADJOINER PLAT REFERENCE NOT INCLUDED AT THIS TIME**  
**09/05/2023**

A PARCEL OF LAND SITUATE IN SECTION 8 AND THE JOHN UPTERGROVE GRANT, SECTION 45, TOWNSHIP 2 NORTH, RANGE 27 EAST, NASSAU COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

FOR A POINT OF REFERENCE COMMENCE AT THE NORTHWEST CORNER OF SAID SECTION 8; THENCE SOUTH 00°38'06" EAST, ALONG THE WEST LINE OF SAID SECTION 8, A DISTANCE OF 3,151.13 FEET TO THE **POINT OF BEGINNING**; THENCE CONTINUE SOUTH 00°38'06" EAST, ALONG THE WEST LINE OF SAID SECTION 8, A DISTANCE OF 671.16 FEET; THENCE SOUTH 88°52'36" EAST A DISTANCE OF 534.22 FEET TO INTERSECT THE WESTERLY PLAT LINE OF "*LIBERTY COVE PARKWAY*", AND A POINT ON A NON-TANGENT CURVE CONCAVE TO THE WEST HAVING A RADIUS OF 652.50 FEET; THENCE ALONG THE WESTERLY LINE OF SAID "*LIBERTY COVE PARKWAY*", THE FOLLOWING FOUR COURSES: (1) NORTHERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 07°15'27", AN ARC DISTANCE OF 82.60 FEET AND BEING SUBTENDED BY A CHORD BEARING NORTH 03°51'45" WEST A DISTANCE OF 82.65 FEET TO A POINT OF REVERSE CURVATURE OF A CURVE CONCAVE TO THE EAST HAVING A RADIUS OF 597.50 FEET; (2) THENCE NORTHERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 08°36'52", AN ARC DISTANCE OF 89.83 FEET AND BEING SUBTENDED BY A CHORD BEARING NORTH 03°11'03" WEST A DISTANCE OF 89.75 FEET; (3) THENCE NORTH 01°07'24" EAST A DISTANCE OF 331.34 FEET TO THE BEGINNING OF A CURVE CONCAVE TO THE EAST HAVING A RADIUS OF 640.00 FEET; (4) THENCE NORTHERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 04°20'05", AN ARC DISTANCE OF 48.42 FEET AND BEING SUBTENDED BY A CHORD BEARING NORTH 03°17'53" EAST A DISTANCE OF 48.41 FEET; THENCE NORTH 85°17'44" WEST A DISTANCE OF 103.66 FEET TO THE BEGINNING OF A CURVE CONCAVE TO THE SOUTH HAVING A RADIUS OF 711.00 FEET; THENCE WESTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 04°21'58", AN ARC DISTANCE OF 54.18 FEET AND BEING SUBTENDED BY A CHORD BEARING NORTH 86°41'37" WEST A DISTANCE OF 54.17 FEET; THENCE NORTH 88°52'36" WEST A DISTANCE OF 64.41 FEET; THENCE NORTH 01°07'24" EAST A DISTANCE OF 110.82 FEET; (5) THENCE NORTH 88°52'36" WEST A DISTANCE OF 320.73 FEET TO THE POINT OF BEGINNING.

**LEGAL DESCRIPTION**

LIBERTY COVE PHASE 1 – UNIT 3

**ADJOINER PLAT REFERENCE NOT INCLUDED AT THIS TIME**

**09/05/2023**

A PARCEL OF LAND SITUATE IN THE JOHN UPTERGROVE GRANT, SECTION 45, TOWNSHIP 2 NORTH, RANGE 27 EAST, NASSAU COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

FOR A POINT OF REFERENCE COMMENCE AT THE NORTHWEST CORNER OF SECTION 8, TOWNSHIP 2 NORTH, RANGE 27 EAST, NASSAU COUNTY, FLORIDA; THENCE SOUTH  $00^{\circ}38'06''$  EAST, ALONG THE WEST LINE OF SAID SECTION 8, A DISTANCE OF 3,953.27 FEET TO INTERSECT THE NORTHERLY LINE OF SAID SECTION 45; THENCE SOUTH  $67^{\circ}10'16''$  WEST, ALONG THE NORTHERLY LINE OF SAID SECTION 45, A DISTANCE OF 217.65 FEET TO THE **POINT OF BEGINNING**; THENCE SOUTH  $67^{\circ}10'16''$  WEST, ALONG THE NORTHERLY LINE OF SAID SECTION 45, A DISTANCE OF 392.76 FEET TO THE NORTHWEST CORNER OF SAID SECTION 45; THENCE SOUTH  $22^{\circ}53'37''$  EAST, ALONG THE WESTERLY LINE OF SAID SECTION 45, A DISTANCE OF 682.89 FEET; THENCE NORTH  $67^{\circ}06'23''$  EAST, A DISTANCE OF 170.00 FEET; THENCE SOUTH  $22^{\circ}53'37''$  EAST, A DISTANCE OF 11.66 FEET; THENCE NORTH  $67^{\circ}06'23''$  EAST, A DISTANCE OF 145.00 FEET; THENCE NORTH  $22^{\circ}53'37''$  WEST, A DISTANCE OF 40.00 FEET; THENCE NORTH  $67^{\circ}06'23''$  EAST, A DISTANCE OF 195.00 FEET; THENCE SOUTH  $22^{\circ}53'37''$  EAST, A DISTANCE OF 8.82 FEET; THENCE NORTH  $67^{\circ}06'23''$  EAST, A DISTANCE OF 120.00 FEET; THENCE NORTH  $22^{\circ}53'37''$  WEST, A DISTANCE OF 411.22 FEET; THENCE NORTH  $10^{\circ}51'37''$  EAST, A DISTANCE OF 15.09 FEET TO A POINT ON A CURVE CONCAVE TO THE SOUTHWEST HAVING A RADIUS OF 542.50 FEET; THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF  $16^{\circ}14'01''$ , AN ARC DISTANCE OF 153.71 FEET AND BEING SUBTENDED BY A CHORD BEARING SOUTH  $71^{\circ}01'22''$  EAST A DISTANCE OF 153.19 FEET; THENCE SOUTH  $62^{\circ}54'22''$  EAST, A DISTANCE OF 150.86 FEET; THENCE NORTH  $36^{\circ}40'24''$  EAST, A DISTANCE OF 67.10 FEET; THENCE NORTH  $14^{\circ}23'13''$  EAST, A DISTANCE OF 50.06 FEET; THENCE NORTH  $62^{\circ}54'22''$  WEST, A DISTANCE OF 151.02 FEET TO THE BEGINNING OF A CURVE CONCAVE TO THE SOUTHWEST HAVING A RADIUS OF 657.50 FEET; THENCE NORTHWESTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF  $27^{\circ}04'56''$ , AN ARC DISTANCE OF 310.78 FEET AND BEING SUBTENDED BY A CHORD BEARING NORTH  $76^{\circ}26'50''$  WEST A DISTANCE OF 307.90 FEET; THENCE NORTH  $89^{\circ}59'17''$  WEST, A DISTANCE OF 217.28 FEET TO THE POINT OF BEGINNING.

**LEGAL DESCRIPTION**

LIBERTY COVE PHASE 1 – UNIT 4

**ADJOINER PLAT REFERENCE NOT INCLUDED AT THIS TIME**

**09/09/2023**

A PARCEL OF LAND SITUATE IN SECTION 17 AND THE JOHN UPTERGROVE GRANT, SECTION 45, TOWNSHIP 2 NORTH, RANGE 27 EAST, NASSAU COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

FOR A POINT OF REFERENCE COMMENCE AT THE NORTHWEST CORNER OF SECTION 8, TOWNSHIP 2 NORTH, RANGE 27 EAST, NASSAU COUNTY, FLORIDA; THENCE SOUTH 00°38'06" EAST, ALONG THE WEST LINE OF SAID SECTION 8, A DISTANCE OF 3,953.27 FEET TO INTERSECT THE NORTHERLY LINE OF SAID SECTION 45; THENCE SOUTH 67°10'16" WEST, ALONG THE NORTHERLY LINE OF SAID SECTION 45, A DISTANCE OF 610.41 FEET TO THE NORTHWESTERLY CORNER OF SAID SECTION 45; THENCE SOUTH 22°53'37" EAST, ALONG THE WESTERLY LINE OF SAID SECTION 45, A DISTANCE OF 682.89 FEET TO THE **POINT OF BEGINNING**; THENCE CONTINUE SOUTH 22°53'37" EAST, ALONG THE WESTERLY LINE OF SAID SECTION 45, A DISTANCE OF 810.03 FEET; THENCE SOUTH 00°57'39" EAST, ALONG THE WESTERLY LINE OF SAID SECTION 17, A DISTANCE OF 919.33 FEET; THENCE NORTH 89°06'27" EAST A DISTANCE OF 1,091.26 FEET; THENCE NORTH 77°05'42" EAST A DISTANCE OF 2.27 FEET TO THE WESTERLY LINE OF "*LIBERTY COVE PARKWAY*", THENCE NORTHERLY ALONG THE WESTERLY LINE OF SAID "*LIBERTY COVE PARKWAY*", THE FOLLOWING 11 COURSES: (1) THENCE NORTHERLY ALONG THE ARC OF A CURVE CONCAVE TO THE SOUTHWEST HAVING A RADIUS OF 1,285.00 FEET, THROUGH A CENTRAL ANGLE OF 19°52'23", AN ARC DISTANCE OF 445.70 FEET AND BEING SUBTENDED BY A CHORD BEARING NORTH 22°50'29" WEST A DISTANCE OF 443.47 FEET; (2) THENCE NORTH 32°46'40" WEST A DISTANCE OF 306.95 FEET; (3) THENCE SOUTH 75°46'43" WEST A DISTANCE OF 27.32 FEET; (4) THENCE SOUTH 51°13'21" WEST A DISTANCE OF 24.23 FEET; (5) THENCE NORTH 32°46'40" WEST A DISTANCE OF 4.12 FEET TO THE BEGINNING OF A CURVE CONCAVE TO THE EAST HAVING A RADIUS OF 2,085.00 FEET; (6) THENCE

NORTHERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF  $25^{\circ}39'39''$ , AN ARC DISTANCE OF 933.80 FEET AND BEING SUBTENDED BY A CHORD BEARING NORTH  $19^{\circ}56'51''$  WEST A DISTANCE OF 926.02 FEET; (7) THENCE NORTH  $86^{\circ}52'15''$  EAST A DISTANCE OF 11.59 FEET; (8) THENCE NORTH  $03^{\circ}07'45''$  WEST A DISTANCE OF 290.00 FEET; (9) THENCE SOUTH  $86^{\circ}52'15''$  WEST A DISTANCE OF 11.59 FEET TO A POINT ON A NON-TANGENT CURVE CONCAVE TO THE EAST HAVING A RADIUS OF 2,085.00 FEET; (10) THENCE NORTHERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF  $09^{\circ}46'50''$ , AN ARC DISTANCE OF 355.91 FEET AND BEING SUBTENDED BY A CHORD BEARING NORTH  $05^{\circ}44'56''$  EAST A DISTANCE OF 355.48 FEET; (11) THENCE NORTH  $62^{\circ}54'22''$  WEST A DISTANCE OF 53.15 FEET; THENCE NORTH  $62^{\circ}54'22''$  WEST A DISTANCE OF 150.86 FEET TO THE BEGINNING OF A CURVE CONCAVE TO THE SOUTHWEST HAVING A RADIUS OF 542.50 FEET; THENCE NORTHWESTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF  $16^{\circ}11'47''$ , AN ARC DISTANCE OF 153.35 FEET AND BEING SUBTENDED BY A CHORD BEARING NORTH  $71^{\circ}00'16''$  WEST A DISTANCE OF 152.84 FEET; THENCE SOUTH  $10^{\circ}51'37''$  WEST A DISTANCE OF 15.20 FEET; THENCE SOUTH  $22^{\circ}53'37''$  EAST A DISTANCE OF 411.22 FEET; THENCE SOUTH  $67^{\circ}06'23''$  WEST A DISTANCE OF 120.00 FEET; THENCE NORTH  $22^{\circ}53'37''$  WEST A DISTANCE OF 8.82 FEET; THENCE SOUTH  $67^{\circ}06'23''$  WEST A DISTANCE OF 195.00 FEET; THENCE SOUTH  $22^{\circ}53'37''$  EAST A DISTANCE OF 40.00 FEET; THENCE SOUTH  $67^{\circ}06'23''$  WEST A DISTANCE OF 145.00 FEET; THENCE NORTH  $22^{\circ}53'37''$  WEST A DISTANCE OF 11.66 FEET; THENCE SOUTH  $67^{\circ}06'23''$  WEST A DISTANCE OF 170.00 FEET TO THE POINT OF BEGINNING.

# MANZIE & DRAKE LAND SURVEYING



## LEGAL DESCRIPTION

SALLETTE PROPERTY

PREPARED FOR LIBERTY COVE, LLC

NOVEMBER 19, 2021

A PARCEL OF LAND SITUATE IN THE JOHN UPTERGROVE GRANT, SECTION 45, TOWNSHIP 2 NORTH, RANGE 27 EAST, NASSAU COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

FOR A POINT OF REFERENCE COMMENCE AT THE NORTHEASTERLY CORNER OF SAID SECTION 45; THENCE SOUTH 22°37'20" EAST, ALONG THE EASTERLY LINE OF SAID SECTION 45, A DISTANCE OF 816.37 FEET TO THE **POINT OF BEGINNING**; THENCE CONTINUE SOUTH 22°37'20" EAST, ALONG THE EASTERLY LINE OF SAID SECTION 45, A DISTANCE OF 1,838.69 FEET TO A 4"x4" CONCRETE MONUMENT LOCATED AT THE INTERSECTION OF THE SOUTH LINE OF SECTION 8, TOWNSHIP 2 NORTH, RANGE 27 EAST, NASSAU COUNTY, FLORIDA; THENCE CONTINUE SOUTH 22°37'20" EAST, ALONG THE EASTERLY LINE OF SAID SECTION 45, A DISTANCE OF 129 FEET MORE OR LESS TO INTERSECT THE DIVISION LINE BETWEEN THE HIGHLANDS AND THE MARSHLANDS OF THE NASSAU RIVER AND A POINT HEREINAFTER REFEREED TO AS POINT "A"; THENCE RETURN TO THE **POINT OF BEGINNING** AND RUN THE FOLLOWING SEVEN (7) COURSES ALONG THE SOUTHERLY LINE OF LANDS DESCRIBED IN OFFICIAL RECORDS BOOK 949, PAGE 1447, OF THE PUBLIC RECORDS OF NASSAU COUNTY, FLORIDA: (1) THENCE SOUTH 83°51'44" WEST A DISTANCE OF 171.85 FEET TO THE BEGINNING OF A CURVE CONCAVE TO THE NORTH HAVING A RADIUS OF 500.00 FEET; (2) THENCE WESTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 20°34'34", AN ARC DISTANCE OF 178.87 FEET AND BEING SUBTENDED BY A CHORD BEARING NORTH 85°53'22" WEST A DISTANCE OF 177.92 FEET; (3) THENCE NORTH 75°38'27" WEST A DISTANCE OF 157.00 FEET TO THE BEGINNING OF A CURVE CONCAVE TO THE NORTH HAVING A RADIUS OF 500.00 FEET; (4) THENCE WESTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 13°57'47", AN ARC DISTANCE OF 121.16 FEET AND BEING SUBTENDED BY A CHORD BEARING NORTH 68°41'57" WEST A DISTANCE OF 120.86 FEET TO A POINT OF REVERSE CURVATURE OF A CURVE CONCAVE TO THE SOUTH HAVING A RADIUS OF 100.00 FEET; (5) THENCE WESTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 49°09'24", AN ARC DISTANCE OF 85.66 FEET AND BEING SUBTENDED BY A CHORD BEARING NORTH 86°17'45" WEST A DISTANCE OF 83.06 FEET; (6) THENCE SOUTH 69°09'55" WEST A DISTANCE OF 191.92 FEET; (7) THENCE NORTH 77°59'14" WEST A DISTANCE OF 847.91 FEET TO INTERSECT THE NORTHERLY LINE OF SAID SECTION 45; THENCE SOUTH 65°52'49" WEST, ALONG

117 SOUTH 9TH STREET, FERNANDINA BEACH, FL 32034

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# MANZIE & DRAKE LAND SURVEYING



THE NORTHERLY LINE OF SAID SECTION 45, A DISTANCE OF 171.73 FEET; THENCE SOUTH 22°08'37" EAST, ALONG THE EASTERLY LINE OF LANDS DESCRIBED IN OFFICIAL RECORDS BOOK 2022, PAGE 1466, OF THE PUBLIC RECORDS OF NASSAU COUNTY, FLORIDA, A DISTANCE OF 3,594.85 FEET TO A 4"x4" CONCRETE MONUMENT; THENCE CONTINUE SOUTH 22°08'37" WEST, ALONG THE EASTERLY LINE OF LANDS DESCRIBED IN OFFICIAL RECORDS BOOK 2022, PAGE 1466, OF THE PUBLIC RECORDS OF NASSAU COUNTY, FLORIDA, A DISTANCE OF 14 FEET MORE OR LESS TO INTERSECT THE DIVISION LINE BETWEEN THE HIGHLANDS AND THE MARSHLANDS OF THE NASSAU RIVER; THENCE SOUTHEASTERLY, EASTERLY, NORTHERLY AND NORTHEASTERLY, ALONG THE DIVISION LINE BETWEEN THE HIGHLANDS AND THE MARSHLANDS OF THE NASSAU RIVER, A DISTANCE OF 3,026 FEET MORE OR LESS TO ABOVE REFERENCE POINT "A" AND THE CLOSE OF THIS DESCRIPTION.

CONTAINING 114.86 ACRES MORE OR LESS.

---

MICHAEL A. MANZIE, P.L.S.  
FLORIDA REGISTRATION NO. 4069  
JOB NO. 14175

**APPENDIX F**  
**DISTRICT'S FINANCIAL STATEMENTS**

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**LIBERTY COVE  
COMMUNITY DEVELOPMENT DISTRICT  
FINANCIAL STATEMENTS  
UNAUDITED  
SEPTEMBER 30, 2023**

**LIBERTY COVE  
COMMUNITY DEVELOPMENT DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2023**

	General Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS</b>			
Cash	\$ 1,085	\$ -	\$ 1,085
Due from Landowner	10,483	-	10,483
Prepaid expense	5,590	-	5,590
Total assets	\$ 17,158	\$ -	\$ 17,158
 <b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 4,893	\$ -	\$ 4,893
Due to Landowner	-	7,827	7,827
Accrued wages payable	400	-	400
Tax payable	275	-	275
Landowner advance	6,000	-	6,000
Total liabilities	11,568	7,827	19,395
 <b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred receipts	4,893	-	4,893
Unearned revenue	5,590	-	5,590
Total deferred inflows of resources	10,483	-	10,483
 Fund balances:			
Restricted for:			
Debt service	-	(7,827)	(7,827)
Unassigned	(4,893)	-	(4,893)
Total fund balances	(4,893)	(7,827)	(12,720)
 Total liabilities, deferred inflows of resources and fund balances			
	\$ 17,158	\$ -	\$ 17,158

**LIBERTY COVE  
COMMUNITY DEVELOPMENT DISTRICT  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
FOR THE PERIOD ENDED SEPTEMBER 30, 2023**

	Current Month	Year to Date	Budget	% of Budget
<b>REVENUES</b>				
Landowner contribution	\$ -	\$ 18,908	\$ 101,096	19%
Total revenues	<u>-</u>	<u>18,908</u>	<u>101,096</u>	19%
<b>EXPENDITURES</b>				
<b>Professional &amp; administrative</b>				
Supervisors	-	2,368	4,306	55%
Management/accounting/recording	1,000	12,000	48,000	25%
Legal	3,821	6,316	25,000	25%
Engineering	-	-	2,000	0%
Audit*	-	-	5,000	0%
Arbitrage rebate calculation*	-	-	500	0%
Dissemination agent*	-	-	1,000	0%
Trustee*	-	-	5,500	0%
Telephone	17	200	200	100%
Postage	13	64	500	13%
Printing & binding	42	500	500	100%
Legal advertising	-	1,160	1,500	77%
Annual special district fee	-	175	175	100%
Insurance	-	5,375	5,500	98%
Contingencies/bank charges	-	-	500	0%
Website hosting & maintenance	-	705	705	100%
Website ADA compliance	-	210	210	100%
Total professional & administrative	<u>4,893</u>	<u>29,073</u>	<u>101,096</u>	29%
Excess/(deficiency) of revenues over/(under) expenditures	(4,893)	(10,165)	-	
Fund balances - beginning	-	5,272	-	
Fund balances - ending	<u>\$ (4,893)</u>	<u>\$ (4,893)</u>	<u>\$ -</u>	

\*These items will be realized when bonds are issued.

**LIBERTY COVE**  
**COMMUNITY DEVELOPMENT DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**DEBT SERVICE FUND**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2023**

	Current Month	Year To Date
<b>REVENUES</b>	<u>\$ -</u>	<u>\$ -</u>
Total revenues	<u>-</u>	<u>-</u>
 <b>EXPENDITURES</b>		
<b>Debt service</b>		
Cost of issuance	<u>-</u>	<u>-</u>
Total debt service	<u>-</u>	<u>-</u>
 Excess/(deficiency) of revenues over/(under) expenditures	 - -	 - -
 Fund balances - beginning	 <u>(7,827)</u>	 <u>(7,827)</u>
Fund balances - ending	<u><u>\$ (7,827)</u></u>	<u><u>\$ (7,827)</u></u>





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