

PRELIMINARY LIMITED OFFERING MEMORANDUM DATED MARCH 31, 2025

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

NOT RATED

In the opinion of Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Bond Counsel, under existing statutes, regulations, rulings and court decisions and subject to the conditions described herein under "TAX MATTERS," interest on the Series 2025 Bonds is (a) excludable from gross income of the owners thereof for federal income tax purposes, except as otherwise described herein under the caption "TAX MATTERS" and (b) not an item of tax preference for purposes of the federal alternative minimum tax; provided, however, with respect to certain corporations, interest on the Series 2025 Bonds is taken into account in determining the annual adjusted financial statement income for the purpose of computing the alternative minimum tax imposed on such corporations. See "TAX MATTERS" herein for a general discussion of Bond Counsel's opinion and other tax considerations.

**WEST VILLAGES IMPROVEMENT DISTRICT
(CITY OF NORTH PORT, FLORIDA)**

\$10,200,000*

**CAPITAL IMPROVEMENT REVENUE BONDS
(UNIT OF DEVELOPMENT NO. 12), SERIES 2025
(ASSESSMENT AREA ONE)**

Dated: Date of Issuance

Due: As set forth below

The West Villages Improvement District Capital Improvement Revenue Bonds (Unit of Development No. 12), Series 2025 (Assessment Area One) (the "Series 2025 Bonds") are being issued by the West Villages Improvement District (the "District") only in fully registered form, without coupons, in denominations of \$5,000 and any integral multiple thereof.

The Series 2025 Bonds will bear interest at the fixed rates set forth below, calculated on the basis of a 360-day year comprised of twelve 30-day months, payable semi-annually on each May 1 and November 1, commencing November 1, 2025. The Series 2025 Bonds, when issued, will be registered in the name of Cede & Co., as Nominee for The Depository Trust Company ("DTC"). Purchases of beneficial interests in the Series 2025 Bonds will be made only in book-entry form. Accordingly, principal of and interest on the Series 2025 Bonds will be paid by U.S. Bank Trust Company, National Association, as trustee (the "Trustee"), from the Series 2025 Trust Estate (as hereinafter defined) directly to Cede & Co., as the registered Owner thereof. Disbursements of such payments to the Direct Participants (as hereinafter defined) is the responsibility of DTC and disbursements of such payments to the Beneficial Owners is the responsibility of Direct Participants and the Indirect Participants (as hereinafter defined), as more fully described herein. Any purchaser of a Series 2025 Bond must maintain an account with a broker or dealer who is, or acts through, a Direct Participant to receive payment of the principal of and interest on such Series 2025 Bond. See "DESCRIPTION OF THE SERIES 2025 BONDS - Book-Entry System" herein.

Proceeds of the Series 2025 Bonds will be applied to (i) finance a portion of the Cost of acquiring, constructing and equipping assessable improvements comprising the Assessment Area One Project (as defined herein), (ii) pay certain costs associated with the issuance of the Series 2025 Bonds, and (iii) make a deposit into the Series 2025 Reserve Account to be held for the benefit of all of the Series 2025 Bonds. See "ESTIMATED SOURCES AND USES OF SERIES 2025 BOND PROCEEDS" herein and "APPENDIX B: PROPOSED FORMS OF MASTER INDENTURE AND FIRST SUPPLEMENTAL INDENTURE" attached hereto.

The District, which is the issuer of the Series 2025 Bonds, is a local unit of special purpose government of the State of Florida (the "State"), organized and existing under the provisions of Chapter 2004-456, Laws of Florida, as amended by Chapters 2006-355, 2007-307, 2008-284 and 2022-241, Laws of Florida and other applicable provisions of State law (collectively, the "Act"). The Series 2025 Bonds are being issued pursuant to the Act, Resolution Nos. 2025-08 and 2025-12 adopted by the Board of Supervisors (the "Board") of the District on January 9, 2025 and March 7, 2025, respectively, and a Master Trust Indenture, dated as of April 1, 2025 (the "Master Indenture"), as supplemented by the First Supplemental Trust Indenture dated as of April 1, 2025 (the "First Supplemental Indenture" and, together with the Master Indenture, the "Indenture"), each between the District and the Trustee.

The Series 2025 Bonds are equally and ratably secured by the Series 2025 Trust Estate, without preference or priority of one Series 2025 Bond over another. The Series 2025 Pledged Revenues consist of all right, title and interest of the District in, to and under, subject to the terms and conditions of the Indenture, the revenues derived by the District from the Series 2025 Assessments (the "Series 2025 Pledged Revenues"), and the Series 2025 Pledged Funds consist of all of the Funds and Accounts (except for the Series 2025 Rebate Account) established under the First Supplemental Indenture (the "Series 2025 Pledged Funds"), which together shall constitute the Trust Estate securing the Series 2025 Bonds (the "Series 2025 Trust Estate"). See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2025 BONDS."

The Series 2025 Bonds are subject to optional, mandatory sinking fund and extraordinary mandatory redemption prior to maturity. See "DESCRIPTION OF THE SERIES 2025 BONDS - Redemption Provisions" herein.

NEITHER THE SERIES 2025 BONDS NOR THE INTEREST AND PREMIUM, IF ANY, PAYABLE THEREON SHALL CONSTITUTE A GENERAL OBLIGATION OR GENERAL INDEBTEDNESS OF THE DISTRICT WITHIN THE MEANING OF THE CONSTITUTION AND LAWS OF THE STATE. THE SERIES 2025 BONDS AND THE INTEREST AND PREMIUM, IF ANY, PAYABLE THEREON DO NOT CONSTITUTE EITHER A PLEDGE OF THE FULL FAITH AND CREDIT OF THE DISTRICT OR A LIEN UPON ANY PROPERTY OF THE DISTRICT OTHER THAN AS PROVIDED IN THE INDENTURE. NO OWNER OR ANY OTHER PERSON SHALL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY AD VALOREM TAXING POWER OF THE DISTRICT OR ANY OTHER PUBLIC AUTHORITY OR GOVERNMENTAL BODY TO PAY DEBT SERVICE OR TO PAY ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE INDENTURE OR THE SERIES 2025 BONDS. RATHER, DEBT SERVICE AND ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE INDENTURE OR THE SERIES 2025 BONDS, SHALL BE PAYABLE SOLELY FROM, AND SHALL BE SECURED SOLELY BY, THE SERIES 2025 PLEDGED REVENUES AND THE SERIES 2025 PLEDGED FUNDS PLEDGED TO THE SERIES 2025 BONDS, ALL AS PROVIDED IN THE INDENTURE.

The Series 2025 Bonds involve a degree of risk (see "BONDOWNERS' RISKS" herein) and are not suitable for all investors (see "SUITABILITY FOR INVESTMENT" herein). The Underwriter named below is limiting this offering to "accredited investors" within the meaning of Chapter 517, Florida Statutes, 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 on transfers in any secondary market for the Series 2025 Bonds. The Series 2025 Bonds are not credit enhanced or rated and no application has been made for credit enhancement or a rating with respect to the Series 2025 Bonds.

This cover page contains information for quick reference only. It is not a summary of the Series 2025 Bonds. Investors must read the entire Limited Offering Memorandum to obtain information essential to the making of an informed investment decision.

MATURITY SCHEDULE

SERIES 2025 BONDS

\$ _____	-	___ %	Series 2025 Term Bond due May 1, 20__	, Yield	___ %	, Price	___	CUSIP #	_____**
\$ _____	-	___ %	Series 2025 Term Bond due May 1, 20__	, Yield	___ %	, Price	___	CUSIP #	_____**
\$ _____	-	___ %	Series 2025 Term Bond due May 1, 20__	, Yield	___ %	, Price	___	CUSIP #	_____**

The Series 2025 Bonds are offered for delivery when, as and if issued by the District and subject to the receipt of the approving legal opinion of Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Bond Counsel. Certain legal matters will be passed upon for the District by its counsel, Kutak Rock LLP, Tallahassee, Florida, for the Developer (as defined herein) by its counsel, Williams, Parker, Harrison, Dietz & Getzen, PLLC, Sarasota, Florida and for the Underwriter by its counsel, GrayRobinson, P.A., Tampa, Florida. It is expected that the Series 2025 Bonds will be delivered in book-entry form through the facilities of DTC on or about _____, 2025.



Dated: _____, 2025.

* Preliminary, subject to change.

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

This Preliminary Limited Offering Memorandum and the information contained herein are subject to completion or amendment. Under no circumstances shall this Preliminary Limited Offering Memorandum constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of the Series 2025 Bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction. The District has deemed this Preliminary Limited Offering Memorandum "final," except for permitted omissions, within the contemplation of Rule 15c2-12 promulgated by the Securities and Exchange Commission.

WEST VILLAGES IMPROVEMENT DISTRICT

BOARD OF SUPERVISORS

John Luczynski,* Chairperson
Steve Lewis,* Vice-Chairperson
Thomas Buckley,* Assistant Secretary
Christine Masney,* Assistant Secretary
John Meisel, Assistant Secretary

* Affiliated with the Developer (as defined herein)

DISTRICT MANAGER/METHODOLOGY CONSULTANT

Special District Services, Inc.
Palm Beach Gardens, Florida

DISTRICT COUNSEL

Kutak Rock LLP
Tallahassee, Florida

BOND COUNSEL

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

CONSULTING ENGINEER

Dewberry Engineers Inc.
Tampa, Florida

NO DEALER, BROKER, SALESPERSON OR OTHER PERSON HAS BEEN AUTHORIZED BY THE DISTRICT TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS, OTHER THAN THOSE CONTAINED IN THIS LIMITED OFFERING MEMORANDUM, AND IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE DISTRICT. THIS LIMITED OFFERING MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY OF THE SERIES 2025 BONDS AND THERE SHALL BE NO OFFER, SOLICITATION, OR SALE OF THE SERIES 2025 BONDS BY ANY PERSON IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL FOR SUCH PERSON TO MAKE SUCH OFFER, SOLICITATION OR SALE.

THE INFORMATION SET FORTH HEREIN HAS BEEN OBTAINED FROM THE DEVELOPER (AS HEREINAFTER DEFINED), THE DISTRICT, PUBLIC DOCUMENTS, RECORDS AND OTHER SOURCES, WHICH SOURCES ARE BELIEVED TO BE RELIABLE BUT WHICH INFORMATION IS NOT GUARANTEED AS TO ACCURACY OR COMPLETENESS BY, AND IS NOT TO BE CONSTRUED AS A REPRESENTATION OF, THE UNDERWRITER NAMED ON THE COVER PAGE OF THIS LIMITED OFFERING MEMORANDUM. THE UNDERWRITER HAS REVIEWED THE INFORMATION IN THIS LIMITED OFFERING MEMORANDUM IN ACCORDANCE WITH, AND AS PART OF, ITS RESPONSIBILITIES TO INVESTORS UNDER THE FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THIS TRANSACTION, BUT THE UNDERWRITER DOES NOT GUARANTEE THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION. THE INFORMATION AND EXPRESSIONS OF OPINION HEREIN CONTAINED ARE SUBJECT TO CHANGE WITHOUT NOTICE AND NEITHER THE DELIVERY OF THIS LIMITED OFFERING MEMORANDUM, NOR ANY SALE MADE HEREUNDER, SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE DISTRICT OR 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 2025 BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR HAS THE INDENTURE BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON CERTAIN EXEMPTIONS SET FORTH IN SUCH ACTS. THE REGISTRATION, QUALIFICATION OR EXEMPTION OF THE SERIES 2025 BONDS IN ACCORDANCE WITH THE APPLICABLE SECURITIES LAW PROVISIONS OF ANY JURISDICTIONS WHEREIN THESE SECURITIES HAVE BEEN OR WILL BE REGISTERED, QUALIFIED OR EXEMPTED SHOULD NOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THE DISTRICT, THE CITY OF NORTH PORT (THE "CITY"), SARASOTA COUNTY, FLORIDA (THE "COUNTY"), THE STATE, NOR ANY OTHER POLITICAL SUBDIVISIONS THEREOF HAVE GUARANTEED OR PASSED UPON THE MERITS OF THE SERIES 2025 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 THEIR EXPECTATIONS OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR, OTHER THAN AS DESCRIBED UNDER "CONTINUING DISCLOSURE" HEREIN.

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

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

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LIMITED OFFERING MEMORANDUM

WEST VILLAGES IMPROVEMENT DISTRICT (CITY OF NORTH PORT, FLORIDA)

\$10,200,000*

CAPITAL IMPROVEMENT REVENUE BONDS (UNIT OF DEVELOPMENT NO. 12), SERIES 2025 (ASSESSMENT AREA ONE)

INTRODUCTION

The purpose of this Limited Offering Memorandum, including the cover page and appendices attached hereto, is to set forth certain information in connection with the offering for sale by the West Villages Improvement District (the "District") of its \$10,200,000* Capital Improvement Revenue Bonds (Unit of Development No. 12), Series 2025 (Assessment Area One) (the "Series 2025 Bonds").

THE SERIES 2025 BONDS ARE NOT A SUITABLE INVESTMENT FOR ALL INVESTORS. PURSUANT TO APPLICABLE STATE LAW, THE UNDERWRITER IS LIMITING THIS OFFERING TO "ACCREDITED INVESTORS" WITHIN THE MEANING OF CHAPTER 517, FLORIDA STATUTES, AND THE RULES OF THE FLORIDA DEPARTMENT OF FINANCIAL SERVICES PROMULGATED THEREUNDER. THE LIMITATION OF THE INITIAL OFFERING TO ACCREDITED INVESTORS DOES NOT DENOTE RESTRICTIONS ON TRANSFERS IN ANY SECONDARY MARKET FOR THE SERIES 2025 BONDS. POTENTIAL INVESTORS ARE SOLELY RESPONSIBLE FOR EVALUATING THE MERITS AND RISKS OF AN INVESTMENT IN THE SERIES 2025 BONDS. SEE "BONDOWNERS' RISKS" AND "SUITABILITY FOR INVESTMENT" HEREIN.

The District, which is the issuer of the Series 2025 Bonds, is a local unit of special purpose government of the State of Florida (the "State"), organized and existing under the provisions of Chapter 2004-456, Laws of Florida, as amended by Chapters 2006-355, 2007-307, 2008-284 and 2022-241, Laws of Florida and other applicable provisions of State law (collectively, the "Act"). The District was created for the purpose of delivering certain community development services and facilities for the benefit of District Lands (as hereinafter defined) and has previously determined to undertake, in one or more stages, the acquisition and/or construction of public improvements and community facilities as set forth in the Act for the special benefit of the District Lands. The Act authorizes the District to issue bonds for the purposes of, among others, financing, funding, planning, establishing, acquiring, constructing or reconstructing, enlarging or extending, or equipping water management, water supply, sewer and wastewater management, bridges or culverts, public roads, street lights and other basic infrastructure projects within or without the boundaries of the District as provided in the Act.

The boundaries of the District include approximately 12,444 acres of land (the "District Lands") located within both the City of North Port (the "City") and unincorporated portions of Sarasota County, Florida (the "County"). Under the Act, the District is authorized to create separate "Units of Development" to facilitate the development of the District Lands. The portion of the District Lands that will be subject to the levy of the Series 2025 Assessments (as defined herein) is located within Unit of Development No. 12

* Preliminary, subject to change.

("Unit No. 12" or the "Development"). See "THE DISTRICT" herein for more information regarding the District, its Board of Supervisors and the District Manager.

The District Lands contain a portion of the community known as Wellen Park, and, at buildout, are expected to contain approximately 25,000 units. The District Lands are located along South Tamiami Trail (U.S. 41), south and west of North River Road and approximately six miles west of Interstate 75. Other developments within the District include "IslandWalk," "Gran Paradiso," "Renaissance," "Oasis," "Preserve," "Tortuga," "Solstice," "Sunstone," "Avelina," "Wysteria," "Gran Place," "Antigua," "Wellen Park Golf & Country Club," "Brightmore," "Everly," "Lakespur," and "Palmera." The District Lands also contain a senior living community and two build-to-rent communities. See "THE DEVELOPMENT – General" herein for more information.

Land development associated with Unit No. 12 will occur in phases. Two separate assessment areas are being created within Unit No. 12 to facilitate the District's financing plans. The first phase of development ("Assessment Area One") consists of approximately 154.4 acres of land and is currently planned to contain approximately 366 residential units across two separate residential communities to be known as (i) "Bexley" and (ii) "Oakbend;" provided, however, that the Bexley product mix and site plan remains subject to change. See "THE DEVELOPMENT" herein for more information regarding Assessment Area One. The second phase of development is expected to include the residential community to be known as "Westlake," which is expected to be developed and financed in the future.

The Series 2025 Bonds are being issued to finance a portion of the Assessment Area One Project. The "Assessment Area One Project" consists of (i) master infrastructure costs for the Wellen Park community that are allocated to Assessment Area One within Unit No. 12 (the "Master Infrastructure") and (ii) onsite infrastructure improvements within Assessment Area One (the "Neighborhood Infrastructure"). See "THE PLAN OF IMPROVEMENTS AND THE ASSESSMENT AREA ONE PROJECT" herein for more information.

The Series 2025 Bonds are payable from and secured by a pledge of the Series 2025 Pledged Revenues, which consist primarily of the Series 2025 Assessments (as defined herein) and the Series 2025 Pledged Funds (as defined herein). The Series 2025 Assessments will initially be levied on the 181 platted lots within Oakbend and approximately 69.6 gross acres within Bexley, which are planned for approximately 185 lots. Upon full platting of Assessment Area One, the Series 2025 Assessments are expected to be assigned to a total of 366 residential units therein in accordance with the Assessment Methodology (as defined herein); provided, however, that final Bexley site plan and product mix remains subject to change. The Series 2025 Assessments will be levied on a portion of the same lands securing the Unit No. 1 Bonds (as defined herein). The Series 2025 Assessments will share co-equal lien status with the special assessments securing the Unit No 1. Bonds. See "ASSESSMENT METHODOLOGY AND THE ALLOCATION OF ASSESSMENTS" and "APPENDIX E: ASSESSMENT METHODOLOGY."

Main Street Ranchlands, LLLP, a Florida limited liability limited partnership (the "Developer"), is the owner and developer of the lands in Assessment Area One. See "THE DEVELOPMENT" and "THE DEVELOPER" herein for more information. To date, the Developer has entered into contracts for the sale of the 181 single-family lots planned for the Oakbend community with ICI and Toll (each as defined herein). The Developer is in negotiations with its affiliate Mattamy Tampa/Sarasota (as defined herein) for lots planned in Bexley; provided, however, the site plan and product mixes for Bexley are still being finalized and any contract resulting from such negotiations is subject to change to reflect such revisions. See "THE DEVELOPMENT – Builder Contracts" herein for more information.

The Series 2025 Bonds are being issued pursuant to the Act, Resolution Nos. 2025-08 and 2025-12 adopted by the Board of Supervisors (the "Board") of the District on January 9, 2025, and March 7, 2025,

respectively, and a Master Trust Indenture, dated as of April 1, 2025 (the "Master Indenture"), as supplemented by the First Supplemental Trust Indenture dated as of April 1, 2025 (the "First Supplemental Indenture" and, together with the Master Indenture, the "Indenture"), each by and between the District and U.S. Bank Trust Company, National Association, as trustee (the "Trustee"). All capitalized terms used in this Limited Offering Memorandum that are defined in the Indenture and not defined herein shall have the respective meanings set forth in the Indenture. See "APPENDIX B: PROPOSED FORMS OF MASTER INDENTURE AND FIRST SUPPLEMENTAL INDENTURE" hereto.

The Series 2025 Bonds are equally and ratably secured by the Series 2025 Trust Estate without preference or priority of one Series 2025 Bond over another. The Series 2025 Pledged Revenues consist of all right, title and interest of the District in, to and under, subject to the terms and conditions of the Indenture, the revenues derived by the District from the Series 2025 Assessments (the "Series 2025 Pledged Revenues") and the Series 2025 Pledged Funds consist of all of the Funds and Accounts (except for the Series 2025 Rebate Account) established under the First Supplemental Indenture (the "Series 2025 Pledged Funds") which together shall constitute the Trust Estate securing the Series 2025 Bonds (the "Series 2025 Trust Estate"). See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2025 BONDS."

Proceeds of the Series 2025 Bonds will be applied to (i) finance a portion of the Cost of acquiring, constructing and equipping assessable improvements comprising the Assessment Area One Project, (ii) pay certain costs associated with the issuance of the Series 2025 Bonds, and (iii) make a deposit into the Series 2025 Reserve Account to be held for the benefit of all of the Series 2025 Bonds. See "ESTIMATED SOURCES AND USES OF SERIES 2025 BOND PROCEEDS" herein and "APPENDIX B: PROPOSED FORMS OF MASTER INDENTURE AND FIRST SUPPLEMENTAL INDENTURE" attached hereto.

There follows in this Limited Offering Memorandum a brief description of the District, Assessment Area One, the Assessment Area One Project, the Development and the Developer and summaries of the terms of the Series 2025 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 laws, and all references to the Series 2025 Bonds are qualified by reference to the 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 hereto.

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

DESCRIPTION OF THE SERIES 2025 BONDS

General Description

The Series 2025 Bonds are being issued as fully registered bonds without coupons in current interest form in the denomination of \$5,000 and any integral multiple of \$5,000 in excess thereof; provided, however, if any initial Beneficial Owner does not purchase at least \$100,000 of the Series 2025 Bonds at the time of initial delivery of the Series 2025 Bonds, such Beneficial Owner must either execute and deliver to the District and the Underwriter on the date of delivery of the Series 2025 Bonds an investor letter substantially in the form attached to the First Supplemental Indenture or otherwise establish to the satisfaction of the Underwriter that such Beneficial Owner is an "accredited investor" as described in Rule 501(a) under Regulation D of the Securities Act of 1933, as amended. The Series 2025 Bonds will initially be sold only to "accredited investors" within the meaning of Chapter 517, Florida Statutes, as amended, and the rules promulgated thereunder by the Florida Department of Financial Services. The limitation of the initial offering to accredited investors does not denote restrictions on transfers in any secondary market for the Series 2025 Bonds.

Each Series 2025 Bond shall be dated the date of initial delivery. Each Series 2025 Bond shall also bear its date of authentication. Each Series 2025 Bond shall bear interest from the Interest Payment Date to which interest has been paid next preceding the date of its authentication, unless the date of its authentication: (a) is an Interest Payment Date to which interest on such Series 2025 Bond has been paid, in which event such Series 2025 Bond shall bear interest from its date of authentication; or (b) is prior to the first Interest Payment Date for the Series 2025 Bonds, in which event such Series 2025 Bond shall bear interest from its date. Interest on the Series 2025 Bonds shall be due and payable on each May 1 and November 1, commencing November 1, 2025, and shall be computed on the basis of a 360-day year comprised of twelve 30-day months.

The Series 2025 Bonds shall be initially issued in the form of a separate single certificated fully registered Series 2025 Bond for each maturity thereof. Upon initial issuance, the ownership of each such Series 2025 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 ("DTC"), the initial Bond Depository. Except as provided in the First Supplemental Indenture, all of the Outstanding Series 2025 Bonds shall be registered in the registration books kept by the Bond Registrar in the name of Cede & Co., as Nominee of DTC. See "DESCRIPTION OF THE SERIES 2025 BONDS – Book-Entry System" herein.

The Indenture provides that, with respect to the Series 2025 Bonds registered in the registration books kept by the Bond Registrar in the name of Cede & Co., as Nominee of DTC, the District, the Trustee, the Bond Registrar and the Paying Agent shall have no responsibility or obligation to any such Bond Participant or to any indirect Bond Participant. Without limiting the immediately preceding sentence, the District, the Trustee, the Bond Registrar and the Paying Agent shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any Bond Participant with respect to any ownership interest in the Series 2025 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 2025 Bonds, including any notice of redemption, or (iii) the payment to any Bond Participant or any other person, other than an Owner, as shown in the registration books kept by the Bond Registrar, of any amount with respect to principal of, premium, if any, or interest on the Series 2025 Bonds. The District, the Trustee, the Bond Registrar and the Paying Agent may treat and consider the person in whose name each Series 2025 Bond is registered in the registration books kept by the Bond Registrar as the absolute Owner of such Series 2025 Bond for the purpose of payment of principal, premium and interest with respect to such Series 2025 Bond, for the purpose of giving notices of redemption and other matters with respect to such Series 2025 Bond, for the purpose of registering transfers with respect to such Series 2025 Bond, and for all other purposes whatsoever. The Paying Agent shall pay all principal of, premium, if any, and interest on the Series 2025 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 in the Indenture and all such payments shall be valid and effective to fully satisfy and discharge the District's obligations with respect to payment of principal of, premium, if any, and interest on the Series 2025 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 2025 Bond evidencing the obligation of the District to make payments of principal, premium, if any, and interest pursuant to the provisions of the Indenture. 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 the Indenture shall refer to such new Nominee of DTC, and upon receipt of such a notice the District shall promptly deliver a copy of the same to the Trustee, the Bond Registrar and the Paying Agent. See "DESCRIPTION OF THE SERIES 2025 BONDS – Book-Entry System" herein.

U.S. Bank Trust Company, National Association is the Trustee, Bond Registrar and Paying Agent for the Series 2025 Bonds.

Redemption Provisions

Optional Redemption

The Series 2025 Bonds are subject to redemption prior to maturity at the option of the District in whole or in part on any date on or after May 1, 20[___], at the Redemption Price of the principal amount of the Series 2025 Bonds or portions thereof to be redeemed together with accrued interest to the date of redemption.

Mandatory Sinking Fund Redemption

The Series 2025 Bond maturing May 1, 20[___] is subject to mandatory redemption in part by the District by lot prior to its scheduled maturity from moneys in the Series 2025 Sinking Fund Account established under the First Supplemental Indenture in satisfaction of applicable Amortization Installments at the Redemption Price of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

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

*

* Maturity

The Series 2025 Bond maturing May 1, 20[___] is subject to mandatory redemption in part by the District by lot prior to its scheduled maturity from moneys in the Series 2025 Sinking Fund Account established under the First Supplemental Indenture in satisfaction of applicable Amortization Installments at the Redemption Price of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

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

*

* Maturity

The Series 2025 Bond maturing May 1, 20[___] is subject to mandatory redemption in part by the District by lot prior to its scheduled maturity from moneys in the Series 2025 Sinking Fund Account established under the First Supplemental Indenture in satisfaction of applicable Amortization Installments at the Redemption Price of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

Year Amortization Installment

\$

*

* Maturity

As more particularly set forth in the Indenture, any Series 2025 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 2025 Bonds. Amortization Installments are also subject to recalculation, as provided in the First Supplemental Indenture, as a result of the redemption of Series 2025 Bonds other than from scheduled Amortization Installments so as to reamortize the remaining Outstanding principal balance of the Series 2025 Bonds as set forth in the First Supplemental Indenture.

Extraordinary Mandatory Redemption

The Series 2025 Bonds are subject to extraordinary mandatory redemption prior to maturity in whole or in part on any Quarterly Redemption Date at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the redemption date, if and to the extent that any one or more of the following shall have occurred:

- (a) on or after the Date of Completion of the Assessment Area One Project, by application of moneys transferred from the Series 2025 Acquisition and Construction Account to the Series 2025 Prepayment Subaccount as provided for in the Indenture; or
- (b) from amounts, including Series 2025 Prepayments, required by the Indenture to be deposited into the Series 2025 Prepayment Subaccount; or
- (c) from amounts transferred from the Series 2025 Reserve Account to the Series 2025 Prepayment Subaccount resulting from a reduction in the Series 2025 Reserve Account Requirement as provided for in the First Supplemental Indenture; or
- (d) on the date on which the amount on deposit in the Series 2025 Reserve Account, together with other moneys available therefor, are sufficient to pay and redeem all of the Series 2025 Bonds then Outstanding, including accrued interest thereon.

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

If less than all of the Series 2025 Bonds shall be called for redemption, the particular Series 2025 Bonds or portions of Series 2025 Bonds to be redeemed shall be selected by lot by the Bond Registrar as provided in the First Supplemental Indenture, or as provided or directed by DTC. Reference is hereby specifically made to "APPENDIX B: PROPOSED FORMS OF MASTER INDENTURE AND FIRST SUPPLEMENTAL INDENTURE" for additional details concerning the redemption of Series 2025 Bonds.

Notice of Redemption

Notice of each redemption of Series 2025 Bonds is required to be mailed by the Bond Registrar, postage prepaid, not less than thirty (30) nor more than forty-five (45) days prior to the date of redemption to each registered Owner of Series 2025 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 2025 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 2025 Bonds or such portions thereof on such date, interest on such Series 2025 Bonds or such portions thereof so called for redemption shall cease to accrue, such Series 2025 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 2025 Bonds or such portions thereof so called for redemption except to receive payments of the Redemption Price thereof so held by the Paying Agent. Further notice of redemption shall be given by the Bond Registrar to certain registered securities depositories and information services as set forth in the Indenture, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed.

Pursuant to the Indenture, notice of optional redemption may be conditioned upon the occurrence or non-occurrence of such event or events or upon the later deposit of moneys therefor as shall be specified in such notice of optional redemption and may also be subject to rescission by the District if expressly set forth in such notice. Reference is hereby specifically made to "APPENDIX B: PROPOSED FORMS OF MASTER INDENTURE AND FIRST SUPPLEMENTAL INDENTURE" for additional details concerning notice of redemption of Series 2025 Bonds.

Purchase of Series 2025 Bonds

Subject to the provisions of the Master Indenture, the District may purchase the Series 2025 Bonds in the open market at a price no higher than the highest Redemption Price (including premium) for the Series 2025 Bond to be so purchased with any funds legally available therefor and any such Series 2025 Bonds so purchased shall be credited to the amounts otherwise required to be deposited for the payment of Series 2025 Bonds as provided in the Indenture. See "APPENDIX B: PROPOSED FORMS OF MASTER INDENTURE AND FIRST SUPPLEMENTAL INDENTURE" attached hereto for more information.

Book-Entry System

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

DTC will act as securities depository for the Series 2025 Bonds. The Series 2025 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of the Series 2025 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A

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

Purchases of the Series 2025 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2025 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2025 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 2025 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 2025 Bonds, except in the event that use of the book-entry system for the Series 2025 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2025 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2025 Bonds with DTC and their registration in the name of Cede & Co., or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2025 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2025 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 2025 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2025 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the security documents. For example, Beneficial Owners of Series 2025 Bonds may wish to ascertain that the nominee holding the Series 2025 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 2025 Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such Series 2025 Bonds, as the case may be, to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2025 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 2025 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 2025 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the District or the Paying Agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2025 Bonds at any time by giving reasonable notice to the District or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, the Series 2025 Bonds are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry only transfers through DTC (or a successor securities depository). In that event, the Series 2025 Bonds will be printed and delivered to DTC.

SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2025 BONDS

General

NEITHER THE SERIES 2025 BONDS NOR THE INTEREST AND PREMIUM, IF ANY, PAYABLE THEREON SHALL CONSTITUTE A GENERAL OBLIGATION OR GENERAL INDEBTEDNESS OF THE DISTRICT WITHIN THE MEANING OF THE CONSTITUTION AND LAWS OF THE STATE. THE SERIES 2025 BONDS AND THE INTEREST AND PREMIUM, IF ANY, PAYABLE THEREON DO NOT CONSTITUTE EITHER A PLEDGE OF THE FULL FAITH AND CREDIT OF THE DISTRICT OR A LIEN UPON ANY PROPERTY OF THE DISTRICT OTHER THAN AS PROVIDED IN THE INDENTURE. NO OWNER OR ANY OTHER PERSON SHALL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY AD VALOREM TAXING POWER OF THE DISTRICT OR ANY OTHER PUBLIC AUTHORITY OR GOVERNMENTAL BODY TO PAY DEBT SERVICE OR TO PAY ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE INDENTURE OR THE SERIES 2025 BONDS. RATHER, DEBT SERVICE AND ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE INDENTURE OR THE SERIES 2025 BONDS, SHALL BE PAYABLE SOLELY FROM, AND SHALL BE SECURED SOLELY BY, THE

SERIES 2025 PLEDGED REVENUES AND THE SERIES 2025 PLEDGED FUNDS PLEDGED TO THE SERIES 2025 BONDS, ALL AS PROVIDED IN THE INDENTURE.

The Series 2025 Bonds are equally and ratably secured by the Series 2025 Trust Estate, without preference or priority of one Series 2025 Bond over another. The Series 2025 Trust Estate consists of all right, title and interest of the District in, to and under, subject to the terms and conditions of the Indenture, the revenues derived by the District from the Series 2025 Assessments (the "Series 2025 Pledged Revenues") and the Funds and Accounts (except for the Series 2025 Rebate Account) established under the Indenture (the "Series 2025 Pledged Funds") which shall constitute the Trust Estate securing the Series 2025 Bonds (the "Series 2025 Trust Estate"). The "Series 2025 Assessments" are the non-ad valorem special assessments imposed, levied and collected by the District in accordance with the Series 2025 Assessment Proceedings with respect to property specially benefited by the Assessment Area One Project.

"Series 2025 Assessment Proceedings" shall mean the proceedings of the District with respect to the establishment, levy and collection of the Series 2025 Assessments which include certain resolutions adopted by the Board of the District, and any supplemental proceedings undertaken by the District with respect to the Series 2025 Assessments and the Assessment Methodology as approved thereby.

The Series 2025 Assessments are non-ad valorem assessments. Non-ad valorem assessments are not based on millage and are not taxes, but can become a lien against the homestead as permitted in Section 4, Article X of the Florida State Constitution. The Series 2025 Assessments will constitute a lien against the land as to which the Series 2025 Assessments are imposed. See "ENFORCEMENT OF ASSESSMENT COLLECTIONS" herein.

Covenant to Levy the Series 2025 Assessments

The determination, order, levy and collection of the Series 2025 Assessments must be undertaken in compliance with procedural requirements and guidelines provided by State law. Failure by the District to comply with such requirements could result in delay in the collection of, or the complete inability to collect, Series 2025 Assessments during any year. Such delays in the collection of, or complete inability to collect, Series 2025 Assessments would have a material adverse effect on the ability of the District to make full or punctual payment of the principal of, premium, if any, and interest on the Series 2025 Bonds. See "BONDOWNERS' RISKS" herein.

The District will covenant in the Indenture to comply with the terms of the Series 2025 Assessment Proceedings heretofore adopted with respect to the Series 2025 Assessments, including the Assessment Methodology, and to levy the Series 2025 Assessments and collect any required true-up payments set forth in the Assessment Methodology in such manner as will generate funds sufficient to pay the principal of and interest on the Series 2025 Bonds, when due.

If any Series 2025 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 2025 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 2025 Assessment when it might have done so, the District will additionally covenant to either (i) take all necessary steps to cause a new Series 2025 Assessment to be made for the whole or any part of such improvement or against any property benefited by such improvement, or (ii) in its sole discretion, make up the amount of such Series 2025 Assessment from legally available moneys, which moneys shall be deposited into the Series 2025 Revenue Account. See "BONDOWNERS' RISKS – Inadequacy of Reserve Account." In case any such second Series 2025 Assessment shall also be annulled, the District shall obtain and make other Series 2025 Assessments until a valid Series 2025 Assessment shall be made.

Prepayment of Series 2025 Assessments

Pursuant to the Series 2025 Assessment Proceedings, any owner of land subject to Series 2025 Assessments may prepay the entire remaining balance of the Series 2025 Assessments at any time, or a portion of the remaining balance of the Series 2025 Assessment one time, if there is also paid, in addition to the prepaid principal balance of the Series 2025 Assessment, an amount equal to the interest that would otherwise be due on such prepaid amount on the next succeeding interest payment date or, if prepaid during the forty-five (45) day period preceding such interest payment date, to the interest payment date following such next succeeding interest payment date. Prepayment of a Series 2025 Assessment does not entitle the property owner to any discounts for early payment under the Series 2025 Assessment Proceedings.

An owner of property subject to the levy of Series 2025 Assessments may pay the entire balance of the Series 2025 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 same pursuant to Chapter 170.09, Florida Statutes. The Developer, as the current owner of all of the property within Assessment Area One subject to the Series 2025 Assessments, will covenant to waive this right in connection with the issuance of the Series 2025 Bonds pursuant to a "Declaration of Consent to Jurisdiction of West Villages Improvement District and to Imposition of Special Assessments." Such declaration will be recorded in the public records of the County, and the covenants contained therein will be binding on future landowners in the District. See "BONDOWNERS' RISKS – Prepayment and Redemption Risk" herein.

The Series 2025 Bonds are subject to extraordinary redemption as indicated under "DESCRIPTION OF THE SERIES 2025 BONDS - Redemption Provisions - Extraordinary Mandatory Redemption" from optional prepayments of the Series 2025 Assessments by property owners.

Limitation on Additional Debt

Other than Refunding Bonds issued to refund all or a portion of the then Outstanding Series 2025 Bonds, the issuance of which results in net present value Debt Service savings, the District shall not, while any Series 2025 Bonds are Outstanding, issue or incur any debt payable in whole or in part from the Series 2025 Trust Estate. In addition, the District will covenant not to issue any Bonds or other debt obligations secured by Assessments on lands within the District which are also encumbered by the Series 2025 Assessments for any capital project that provides special benefit, as determined by the District, solely to Assessment Area One, unless the Series 2025 Assessments have been Substantially Absorbed. "Substantially Absorbed" means the date on which the principal amount of the Series 2025 Assessments equaling seventy-five percent (75%) of the then Outstanding principal amount of the Series 2025 Bonds is levied on tax parcels within Assessment Area One with respect to which a certificate of occupancy has been issued for a structure thereon, as certified by an Authorized Officer and upon which the Trustee may conclusively rely.

The provisions set forth above do not apply to (a) any Bonds or other debt obligations of the District issued to refund all or a portion of the Unit No. 1 Bonds secured by Assessments on lands which are encumbered by the Series 2025 Assessments, (b) any District debt issued for other lawful purposes secured by Assessments on other assessable lands within the District in addition to Assessment Area One for any capital project that provides special benefit, as determined by the District, to such assessable lands and Assessment Area One, or (c) the imposition of Assessments on property subject to the Series 2025 Assessments which, as determined by the District, are necessary for health, safety, and welfare reasons, or to remediate a natural disaster. The Trustee and the District may rely on a certificate from the District Manager regarding the permissibility of any proposed District debt secured by Assessments to be levied on any portion of Assessment Area One encumbered by the Series 2025 Assessments, and in the absence of

receipt of such certificate, may assume that the District may not issue debt on the same lands encumbered by the Series 2025 Assessments.

Acquisition and Construction Account

Pursuant to the First Supplemental Indenture, there is established within the Acquisition and Construction Fund held by the Trustee a separate account designated as the "Series 2025 Acquisition and Construction Account." Amounts on deposit in the Series 2025 Acquisition and Construction Account shall be applied to pay the Costs of the Assessment Area One Project upon compliance with the requisition provisions set forth in the Indenture. The Trustee shall have no duty to verify that any requested disbursement from the Series 2025 Acquisition and Construction Account is for a Cost of the Assessment Area One Project.

The Consulting Engineer shall establish a Date of Completion for the Assessment Area One Project, and any balance remaining in the Series 2025 Acquisition and Construction Account after such Date of Completion (taking into account the moneys then on deposit therein to pay any accrued but unpaid Costs of the Assessment Area One Project which are required to be reserved in the Series 2025 Acquisition and Construction Account in accordance with the certificate of the Consulting Engineer delivered to the District and the Trustee establishing such Date of Completion), shall be transferred to the Series 2025 Prepayment Subaccount and applied to the extraordinary mandatory redemption of the Series 2025 Bonds in accordance with the First Supplemental Indenture. Notwithstanding the foregoing, the District shall not establish a Date of Completion until after both the Reserve Account Release Conditions #1 and the Reserve Account Release Conditions #2 (each as defined herein) have been satisfied and moneys have been transferred from the Series 2025 Reserve Account to the Series 2025 Acquisition and Construction Account as a result of such satisfaction pursuant to the First Supplemental Indenture. At such time as there are no amounts on deposit in the Series 2025 Acquisition and Construction Account, such Account shall be closed. See "–Reserve Account" herein for more information regarding the Reserve Account Release Conditions.

Reserve Account

Pursuant to the First Supplemental Indenture, there is established within the Reserve Fund a separate account designated as the "Series 2025 Reserve Account," in which proceeds of the Series 2025 Bonds will be deposited in an amount equal to the initial Series 2025 Reserve Account Requirement therefor. See "ESTIMATED SOURCES AND USES OF SERIES 2025 BOND PROCEEDS" herein. "Series 2025 Reserve Account Requirement," as used herein, shall mean an amount equal to fifty percent (50%) of the Maximum Annual Debt Service Requirement for all Outstanding Series 2025 Bonds, as of the time of any such calculation, until such time as the Reserve Account Release Conditions #1 are met, at which time and thereafter, Series 2025 Reserve Account Requirement shall mean an amount equal to twenty-five percent (25%) of the Maximum Annual Debt Service Requirement for all Outstanding Series 2025 Bonds, as of the time of any such calculation, until such time as the Reserve Account Release Conditions #2 are met, at which time and thereafter, Series 2025 Reserve Account Requirement shall mean an amount equal to ten percent (10%) of the Maximum Annual Debt Service Requirement for all Outstanding Series 2025 Bonds, as of the time of any such calculation. On the date of initial issuance of the Series 2025 Bonds, the Series 2025 Reserve Account Requirement shall be \$ _____.

"Reserve Account Release Conditions #1" shall mean, collectively, that (a) all lots subject to the Series 2025 Assessments have been developed, platted and closed with homebuilders and (b) there are no Events of Default occurring or continuing under the Indenture with respect to the Series 2025 Bonds. The Consulting Engineer shall provide a written certification to the District and the Trustee certifying that the event in clause (a) has occurred and the District shall provide a written certification to the Trustee affirming clause (b), on which certifications the Trustee may conclusively rely.

"Reserve Account Release Conditions #2" shall mean, collectively, that (a) all of the Reserve Account Release Conditions #1 have been satisfied, (b) all homes within Assessment Area One have been built and have received a certificate of occupancy, (c) all of the principal portion of the Series 2025 Assessments has been assigned to such homes, (d) all Series 2025 Assessments are being collected pursuant to the Uniform Method, and (e) there are no Events of Default occurring or continuing under the Indenture with respect to the Series 2025 Bonds. The District shall provide a written certification to the Trustee certifying that the events in clauses (a) through (d) have occurred and affirming clause (e), on which certifications the Trustee may conclusively rely.

The Series 2025 Reserve Account shall be funded and maintained at all times in an amount equal to the Series 2025 Reserve Account Requirement. Except as provided in the Indenture, amounts on deposit in the Series 2025 Reserve Account shall be used only for the purpose of making payments into the Series 2025 Interest Account and the Series 2025 Sinking Fund Account to pay Debt Service on the Series 2025 Bonds, when due, without distinction as to Series 2025 Bonds and without privilege or priority of one Series 2025 Bond over another, to the extent the moneys on deposit in such Accounts available therefor are insufficient and for no other purpose. The Series 2025 Reserve Account shall consist only of cash and Series 2025 Investment Obligations.

Anything in the Indenture to the contrary notwithstanding, on the forty-fifth (45th) day preceding each Quarterly Redemption Date (or, if such forty-fifth (45th) day is not a Business Day, on the Business Day preceding such forty-fifth (45th) day), the Trustee is hereby authorized and directed to recalculate the Series 2025 Reserve Account Requirement. Following such recalculation, the Trustee shall promptly notify the District of any excess on deposit in the Series 2025 Reserve Account whereupon the District shall direct the Trustee in writing to transfer such excess on deposit in the Series 2025 Reserve Account (a) resulting from Prepayments of Series 2025 Assessments into the Series 2025 Prepayment Subaccount and applied as a credit against the Prepayment otherwise required to be made by the owner of such lot or parcel subject to such Prepayment and thereafter applied to the extraordinary mandatory redemption of the Series 2025 Bonds, (b) resulting from a reduction of the Series 2025 Reserve Account Requirement as the result of the Reserve Account Release Conditions #1 or the Reserve Account Release Conditions #2 being met into the Series 2025 Acquisition and Construction Account and used for the purposes of such Account, or (c) resulting from investment earnings as provided in the First Supplemental Indenture.

On the earliest date on which there is on deposit in the Series 2025 Reserve Account sufficient moneys, after taking into account other moneys available therefor, to pay and redeem all of the Outstanding Series 2025 Bonds, together with accrued interest and redemption premium, if any, on such Series 2025 Bonds to the earliest Redemption Date permitted in the Series 2025 Bonds and the First Supplemental Indenture, then the Trustee shall transfer the amount on deposit in the Series 2025 Reserve Account into the Series 2025 Prepayment Subaccount to pay and redeem all of the Outstanding Series 2025 Bonds on the earliest Redemption Date permitted for redemption in the Series 2025 Bonds and the First Supplemental Indenture.

Anything in the Indenture to the contrary notwithstanding, amounts on deposit in the Series 2025 Reserve Account shall, upon the occurrence and continuance of an Event of Default, be subject to a first charge by the Trustee for its fees and expenses, including fees and expenses of collection of Delinquent Assessments.

Deposit and Application of Pledged Revenues

Pursuant to the First Supplemental Indenture, there is established within the Revenue Fund a separate account designated as the "Series 2025 Revenue Account." The Trustee shall deposit into the Series 2025 Revenue Account (i) Series 2025 Assessment Revenues other than Series 2025 Prepayments (which

Series 2025 Prepayments shall be identified by the District to the Trustee as such in writing upon deposit, upon which certification the Trustee may conclusively rely, and which shall be deposited into the Series 2025 Prepayment Subaccount), (ii) Series 2025 Prepayment Interest, and (iii) any other revenues required by other provisions of the Indenture to be deposited into the Series 2025 Revenue Account.

On the forty-fifth (45th) day preceding each Quarterly Redemption Date (or if such forty-fifth (45th) day is not a Business Day, on the Business Day preceding such forty-fifth (45th) day), the Trustee shall determine the amount on deposit in the Series 2025 Prepayment Subaccount and, if the balance therein is greater than zero, shall, upon written direction from the District, transfer from the Series 2025 Revenue Account for deposit into the Series 2025 Prepayment Subaccount an amount sufficient to increase the amount on deposit therein to the nearest integral multiple of \$5,000 (provided that there are sufficient funds remaining in the Series 2025 Revenue Account to pay Debt Service coming due on the Series 2025 Bonds on the next succeeding Interest Payment Date), and shall thereupon give notice and cause the extraordinary mandatory redemption of the Series 2025 Bonds on the next succeeding Redemption Date in the maximum aggregate principal amount for which moneys are then on deposit in the Series 2025 Prepayment Subaccount in accordance with the provisions for extraordinary mandatory redemption of the Series 2025 Bonds set forth in the form of Series 2025 Bonds attached to the First Supplemental Indenture, Section 301 of the First Supplemental Indenture and Article III of the Master Indenture.

On May 1 and November 1 (or if such May 1 or November 1 is not a Business Day, on the Business Day preceding such May 1 or November 1), the Trustee shall transfer amounts on deposit in the Series 2025 Revenue Account to the Accounts designated below in the following amounts and in the following order of priority:

FIRST, to the Series 2025 Interest Account, the amount, if any, equal to the difference between the amount of interest payable on all Series 2025 Bonds then Outstanding on such May 1 or November 1, and the amount already on deposit in the Series 2025 Interest Account not previously credited;

SECOND, on May 1, 20[___], and on each May 1 thereafter, to the Series 2025 Sinking Fund Account, the amount, if any, equal to the difference between the Amortization Installments of all Series 2025 Bonds subject to mandatory sinking fund redemption on such May 1 and the amount already on deposit in the Series 2025 Sinking Fund Account not previously credited;

THIRD, to the Series 2025 Reserve Account, the amount, if any, which is necessary to make the amount on deposit therein equal to the Series 2025 Reserve Account Requirement with respect to the Series 2025 Bonds; and

FOURTH, the balance shall first be deposited into the Series 2025 Costs of Issuance Account to fund any deficiencies in the amount allocated to pay the costs of issuance relating to the Series 2025 Bonds, and then the balance shall be retained in the Series 2025 Revenue Account.

On any date required by the Arbitrage Certificate, the District shall give the Trustee written direction to, and the Trustee shall, transfer from the Series 2025 Revenue Account to the Series 2025 Rebate Account the amount due and owing to the United States, which amount shall be paid to the United States when due in accordance with such Arbitrage Certificate.

Anything in the Indenture to the contrary notwithstanding, moneys on deposit in all of the Funds and Accounts held as security for the Series 2025 Bonds shall be invested only in Series 2025 Investment Obligations. Earnings on investments in the Series 2025 Acquisition and Construction Account and the Series 2025 Interest Account shall be retained, as realized, in such Accounts and used for the purpose of such Accounts. Earnings on investments in the Funds and Accounts other than the Series 2025 Reserve

Account, and other than as set forth above, shall be deposited, as realized, to the credit of the Series 2025 Revenue Account and used for the purpose of such Account.

Earnings on investments in the Series 2025 Reserve Account shall be disposed of as follows:

(i) if there was no deficiency in the Series 2025 Reserve Account as of the most recent date on which amounts on deposit in the Series 2025 Reserve Account were valued by the Trustee, and if no withdrawals have been made from the Series 2025 Reserve Account since such date which have created a deficiency, then earnings on investments in the Series 2025 Reserve Account shall be deposited into the Series 2025 Revenue Account and used for the purpose of such Account; or

(ii) if there was a deficiency in the Series 2025 Reserve Account as of the most recent date on which amounts on deposit in the Series 2025 Reserve Account were valued by the Trustee, or if after such date withdrawals have been made from the Series 2025 Reserve Account and have created such a deficiency, then earnings on investments in the Series 2025 Reserve Account shall be retained in the Series 2025 Reserve Account until the amount on deposit therein is equal to the Series 2025 Reserve Account Requirement, and then earnings on investments in the Series 2025 Reserve Account shall be deposited into the Series 2025 Revenue Account and used for the purpose of such Account.

The foregoing determination and disbursement shall be made prior to any recalculation and transfer of excess amounts on deposit in the Series 2025 Reserve Account made pursuant to the First Supplemental Indenture.

Indenture Provisions Relating to Bankruptcy or Insolvency of an Insolvent Taxpayer

The Indenture will contain the following provisions which, pursuant to the Indenture, shall be applicable both before and after the commencement, whether voluntary or involuntary, of any case, proceeding or other action by or against any owner of any tax parcel, or tax parcels which are in the aggregate, subject to at least five percent (5%) of the Series 2025 Assessments pledged to the Series 2025 Bonds then Outstanding (an "Insolvent Taxpayer") under any existing or future law of any jurisdiction relating to bankruptcy, insolvency, reorganization, assignment for the benefit of creditors, or relief of debtors (a "Proceeding"). The District will acknowledge and agree that, although the Series 2025 Bonds were issued by the District, the Owners of the Series 2025 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 agrees that it shall make a reasonable attempt to timely seek to secure the written consent of the Trustee, acting at the direction of the Majority Owners (as defined herein) of the Series 2025 Bonds then Outstanding, prior to making any election, giving any consent, commencing any action or filing any motion, claim, obligation, notice or application or in taking any other action or position in any Proceeding or in any action related to a Proceeding that affects, either directly or indirectly, the Series 2025 Assessments, the Series 2025 Bonds then Outstanding or any rights of the Trustee under the Indenture (provided, however, the Trustee shall be deemed to have consented, on behalf of the Majority Owners of the Series 2025 Bonds then Outstanding, to the proposed action if the District does not receive a written response from the Trustee within sixty (60) days following delivery to the Trustee of a written request for consent); (ii) the District agrees that it shall not make any election, give any consent, commence any action or file any motion, claim, obligation, notice or application or take any other action or position in any Proceeding or in any action related to a Proceeding that affects, either directly or indirectly, the Series 2025 Assessments, the Series 2025 Bonds then Outstanding or any rights of the Trustee under the Indenture that are inconsistent with any written consent received (or deemed received) from the Trustee; (iii) the District agrees that it shall make a reasonable attempt to timely seek the written consent of the Trustee prior to filing and voting in any such Proceeding (provided, however, the Trustee shall be deemed to have consented, on behalf of the Majority Owners of

the Series 2025 Bonds then Outstanding, to the proposed action if the District does not receive a written response from the Trustee within sixty (60) days following delivery to the Trustee of a written request for consent); (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 2025 Assessments, 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 2025 Assessments, 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 by the Trustee in such Proceeding or any valuations of the lands owned by any Insolvent Taxpayer submitted in good faith by the Trustee in such Proceeding, or take any other action in such Proceeding which is adverse to the Trustee's enforcement of the District's claim and rights with respect to the Series 2025 Assessments or receipt of adequate protection (as that term is defined in the Bankruptcy Code). Without limiting the generality of the foregoing, the District agrees that the Trustee shall have the right to (A) file a proof of claim with respect to the Series 2025 Assessments, (B) deliver to the District a copy thereof, together with evidence of the filing with the appropriate court or other authority, and (C) defend any objection filed to said proof of claim. The District will acknowledge and agree that it shall not be a defense to a breach of the foregoing covenants that it has acted on advice of counsel in not complying with the foregoing covenants. "Majority Owners" shall mean the Beneficial Owners of more than fifty percent (50%) in principal amount of the Outstanding Series 2025 Bonds.

Nothing in the preceding paragraph shall preclude the District from becoming a party to a Proceeding in order to enforce a claim for Operation and Maintenance Assessments, and the District shall be free to pursue such a claim for Operation and Maintenance Assessments in such manner as it shall deem appropriate in its sole and absolute discretion; provided, however, that such claim shall not seek to reduce the amount or receipt of Series 2025 Assessments. Any actions taken by the District in pursuance of its claim for Operation and Maintenance Assessments in any Proceeding shall not be considered an action adverse or inconsistent with the Trustee's rights or consents with respect to the Series 2025 Assessments 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 described in clause (iv) above.

Events of Default and Certain Remedies upon an Event of Default

The Indenture provides that each of the following shall be an "Event of Default" under the Indenture with respect to the Series 2025 Bonds:

- (a) Any payment of Debt Service on the Series 2025 Bonds is not made when due;
- (b) The District shall for any reason be rendered incapable of materially fulfilling its obligations under the Indenture;
- (c) The District admits in writing its inability to pay its debts generally as they become due, or files a petition in bankruptcy or makes an assignment for the benefit of its creditors or consents to the

appointment of a receiver or trustee for itself or for the whole or any part of the Assessment Area One Project;

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

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

(f) If at any time the amount in the Series 2025 Reserve Account is less than the Series 2025 Reserve Account Requirement as a result of the Trustee withdrawing an amount therefrom to satisfy Debt Service on the Series 2025 Bonds and such amount has not been restored within thirty (30) days of such withdrawal;

(g) The District shall default in the due and punctual performance of any of the material covenants, conditions, agreements and provisions contained in the Series 2025 Bonds or in the Indenture on the part of the District to be performed (other than a default in the payment of Debt Service on the related Series 2025 Bonds when due, which is an Event of Default under subsection (a) above) and such default shall continue for thirty (30) days after written notice specifying such default and requiring the same to be remedied shall have been given to the District by the Trustee or, if the Trustee is unwilling or unable to act, by Owners of not less than ten percent (10%) in aggregate principal amount of the Series 2025 Bonds then Outstanding and affected by such default; and

(h) More than twenty percent (20%) of the Operation and Maintenance Assessments levied by the District on tax parcels subject to Series 2025 Assessments are not paid by the date such are due and payable.

The Series 2025 Bonds are not subject to acceleration unless the Series 2025 Assessments securing such Series 2025 Bonds are also accelerated.

The Majority Owners of the Series 2025 Bonds then Outstanding shall, subject to the requirements of the Master Indenture, have the right, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting all remedial proceedings by the Trustee under the Master Indenture, provided that such directions shall not be in conflict with any rule of law or the Master Indenture and that the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would be unduly prejudicial to the rights of the Owners of such Series 2025 Bonds not parties to such direction or would subject the Trustee to personal liability or expense. Notwithstanding the foregoing, the Trustee shall have the right to select and retain legal counsel of its choosing to represent it in any such proceedings. The Trustee may take any other action which is not inconsistent with any direction under this paragraph.

No Owner of such Series 2025 Bonds shall have any right to pursue any other remedy under the Master Indenture or such Series 2025 Bonds unless: (a) an Event of Default shall have occurred and is continuing; (b) the Majority Owners of the Series 2025 Bonds then Outstanding have requested the Trustee, in writing, to exercise the powers granted in the Master Indenture or to pursue such remedy in its or their name or names; (c) the Trustee has been offered indemnity satisfactory to it against costs, expenses and liabilities reasonably anticipated to be incurred; (d) the Trustee has declined to comply with such request,

or has failed to do so, within sixty (60) days after its receipt of such written request and offer of indemnity; and (e) no direction inconsistent with such request has been given to the Trustee during such sixty (60) day period by the Majority Owners of the Series 2025 Bonds then Outstanding. The exercise of such rights is further subject to the provisions of the Master Indenture. No Owner or Owners of such Series 2025 Bonds shall have any right in any manner whatsoever to enforce any right under the Master Indenture, except in the manner provided in the Master Indenture.

The District will covenant and agree in the Master Indenture that upon the occurrence and continuance of an Event of Default, it will take such actions to enforce the remedial provisions of the Indenture, the provisions for the collection of Delinquent Assessments, including delinquent Direct Billed Operation and Maintenance Assessments, the provisions for the foreclosure of liens of Delinquent Assessments, including delinquent Direct Billed Operation and Maintenance Assessments, and will take such other appropriate remedial actions as shall be directed by the Trustee acting at the direction of, and on behalf of, the Majority Owners, from time to time, of the Series 2025 Bonds. Notwithstanding anything to the contrary in the Master Indenture, and unless otherwise directed by the Majority Owners of the Series 2025 Bonds and allowed pursuant to federal or State law, the District will acknowledge and agree that (y) upon failure of any property owner to pay an installment of Series 2025 Assessments collected directly by the District when due, the entire Series 2025 Assessment on the tax parcel as to which such Delinquent Assessment appertains, with interest and penalties thereon, shall immediately become due and payable as provided by applicable law and the District shall promptly, but in any event within 120 days, cause to be brought the necessary legal proceedings for the foreclosure of liens of Delinquent Assessments, including interest and penalties with respect to such tax parcel and (z) the foreclosure proceedings shall be prosecuted to a sale and conveyance of the property involved in said proceedings as now provided by law in suits to foreclose mortgages. See "APPENDIX B: PROPOSED FORMS OF MASTER INDENTURE AND FIRST SUPPLEMENTAL INDENTURE" attached hereto for more information.

ENFORCEMENT OF ASSESSMENT COLLECTIONS

General

The primary source of payment for the Series 2025 Bonds are the Series 2025 Assessments, which are imposed on certain lands within Assessment Area One in Unit No. 12 of the District that are specially benefited by the Assessment Area One Project pursuant to the Series 2025 Assessment Proceedings. See "ASSESSMENT METHODOLOGY AND THE ALLOCATION OF ASSESSMENTS" herein and "APPENDIX E: ASSESSMENT METHODOLOGY" hereto.

The imposition, levy, and collection of Series 2025 Assessments must be done in compliance with the provisions of Florida law. Failure by the District, the Sarasota County Tax Collector ("Tax Collector") or the Sarasota 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 2025 Assessments during any year. Such delays in the collection of Series 2025 Assessments, or complete inability to collect the Series 2025 Assessments, would have a material adverse effect on the ability of the District to make full or punctual payment of Debt Service on the Series 2025 Bonds. See "BONDOWNERS' RISKS." To the extent that landowners fail to pay the Series 2025 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 2025 Bonds.

For the Series 2025 Assessments to be valid, the Series 2025 Assessments must meet two requirements: (1) the benefit from the Assessment Area One Project to the lands subject to such Series 2025 Assessments must exceed or equal the amount of such Series 2025 Assessments, and (2) the Series 2025 Assessments must be fairly and reasonably allocated across all such benefitted properties.

Pursuant to the Act and the Series 2025 Assessment Proceedings, the District may collect the Series 2025 Assessments through a variety of methods. Initially, the District will directly collect the Series 2025 Assessments until such time as the lands are platted, whereby the Series 2025 Assessments will be added to the County tax roll and collected pursuant to the Uniform Method unless the timing for using the Uniform Method will not yet allow for using such method. Upon the occurrence and continuance of an Event of Default, the Trustee at the direction of the Majority Owners of the Series 2025 Bonds may direct the District to collect otherwise. See "ASSESSMENT METHODOLOGY AND THE ALLOCATION OF ASSESSMENTS" herein and "APPENDIX E: ASSESSMENT METHODOLOGY." The following is a description of certain statutory provisions relating to each of these collection methods. Such description is not intended to be exhaustive and is qualified in its entirety by reference to such statutes.

Direct Billing & Foreclosure Procedure

As noted above, and pursuant to Chapters 170 of the Florida Statutes, the District may directly levy, collect and enforce the Series 2025 Assessments. In this context, Section 170.10 of the Florida Statutes provides that upon the failure of any property owner to timely pay all or any part of the annual installment of principal and/or interest of a special assessment due, including the Series 2025 Assessments, the whole assessment, with the interest and penalties thereon, shall immediately become due and payable and subject to foreclosure. Generally stated, the governing body of the entity levying the special assessment, in this case the District, may foreclose by commencing a foreclosure proceeding in the same manner as the foreclosure of a real estate mortgage, or, alternatively, by commencing an action under Chapter 173, Florida Statutes, which relates to foreclosure of municipal tax and special assessment liens. Such proceedings are in rem, meaning that the action would be brought against the land, and not against the landowner. In light of the one year tolling period required before the District may commence a foreclosure action under Chapter 173, Florida Statutes, it is likely the District would commence an action to foreclose in the same manner as the foreclosure of a real estate mortgage rather than proceeding under Chapter 173, Florida Statutes.

Enforcement of the obligation to pay Series 2025 Assessments and the ability to foreclose the lien of such Series 2025 Assessments upon the failure to pay such Series 2025 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 2025 Assessments. See "BONDOWNERS' RISKS."

Uniform Method Procedure

Subject to certain conditions, and for developed lands (as described above), the District may alternatively elect to collect the Series 2025 Assessments using the Uniform Method. The Uniform Method of collection is available only in the event the District complies with statutory and regulatory requirements and enters into agreements with the Tax Collector and Property Appraiser providing for the Series 2025 Assessments to be levied and then collected in this manner.

If the Uniform Method of collection is used, the Series 2025 Assessments will be collected together with City, County, school, special district, and other ad valorem taxes and non-ad valorem assessments (together, "Taxes and Assessments"), all of which will appear on the tax bill (also referred to as a "tax notice") issued to each landowner in the District. The statutes relating to enforcement of Taxes and Assessments provide that such Taxes and Assessments become due and payable on November 1 of the year when assessed, or as soon thereafter as the certified tax roll is received by the Tax Collector, and constitute a lien upon the land from January 1 of such year until paid or barred by operation of law. Such Taxes and Assessments – including the Series 2025 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 2025 Assessments. In other words, any partial

prepayment by a landowner must be distributed in equal proportion to all taxing districts and levying authorities.

All Taxes and Assessments are payable at one time, except for partial payment schedules as may be provided by State law such as Sections 197.374 and 197.222, Florida Statutes. Partial payments made pursuant to Sections 197.374 and 197.222, Florida Statutes, are distributed in equal proportion to all taxing districts and levying authorities applicable to that account. If a taxpayer does not make complete payment of the total amount, he or she cannot designate specific line items on his or her tax bill as deemed paid in full. Therefore, in the event the Series 2025 Assessments are to be collected pursuant to the Uniform Method, any failure to pay any one line item, would cause the Series 2025 Assessments to not be collected to that extent, which could have a significant adverse effect on the ability of the District to make full or punctual payment of Debt Service on the Series 2025 Bonds.

Under the Uniform Method, if the Series 2025 Assessments are paid during November when due or during the following three months, the taxpayer is granted a variable discount equal to 4% in November and decreasing one percentage point per month to 1% in February. All unpaid Taxes and Assessments become delinquent on April 1 of the year following assessment.

The Tax Collector is required to collect the Taxes and Assessments on the tax bill prior to April 1 and, after that date, to institute statutory procedures upon delinquency to collect such Taxes and Assessments through the sale of "tax certificates," as discussed below. Delay in the mailing of tax notices to taxpayers may result in a delay throughout this process. Neither the District nor the Underwriter can give any assurance to the holders of the Series 2025 Bonds (1) that the past experience of the Tax Collector with regard to tax and special assessment delinquencies is applicable in any way to the Series 2025 Assessments, (2) that future landowners and taxpayers in the District will pay such Series 2025 Assessments, (3) that a market may exist in the future for tax certificates in the event of sale of such certificates for taxable units within the District, and (4) that the eventual sale of tax certificates for real property within the District, if any, will be for an amount sufficient to pay amounts due under the Series 2025 Assessment Proceedings to discharge the lien of the Series 2025 Assessments and all other liens that are coequal therewith.

Collection of delinquent Series 2025 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 2025 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 and charges, and who accepts the lowest interest rate per annum to be borne by the certificates (but not more than 18%).

If there are no bidders, the tax certificate is issued to the County. The County is to hold, but not pay for, the tax certificate with respect to the property, bearing interest at the maximum legal rate of interest, which is currently 18%. The Tax Collector does not collect any money if tax certificates are issued, or "struck off," to the County. The County may sell such certificates to the public at any time after issuance, but before a tax deed application is made, at the face amount thereof plus interest at the rate of not more than 18% per annum, costs and charges. Proceeds from the sale of tax certificates are required to be used to pay Taxes and Assessments (including the Series 2025 Assessments), interest, costs and charges on the real property described in the certificate.

Unless full payment for a tax deed is made to the clerk of court, including documentary stamps and recording fees, any tax certificate in the hands of a person other than the County may be redeemed and canceled, in whole or in part (under certain circumstances), at any time before a tax deed is issued, and at

a price equal to the face amount of the certificate or portion thereof together with all interest, costs, and charges due. Regardless of the interest rate actually borne by the certificates, persons redeeming tax certificates must pay a minimum interest rate of 5%, unless the rate borne by the certificates is zero percent. The proceeds of such a redemption are paid to the Tax Collector who transmits to the holder of the tax certificate such proceeds less service charges, and the certificate is canceled. Redemption of tax certificates held by the County is effected by purchase of such certificates from the County, as described above.

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

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

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

If there are no bidders at the public sale, the County Clerk shall enter the land on a list entitled "lands available for taxes" and shall immediately notify the County Commission that the property is available. At any time within ninety (90) days from the date the property is placed on the list, the County may purchase the land for the opening bid, or may waive its rights to purchase the property. Thereafter, and without further notice or advertising, any person, the County or any other governmental unit may purchase the land by paying the amount of the opening bid. Ad valorem taxes and non-ad valorem assessments

accruing after the date of public sale do not require repetition of the bidding process but are added to the minimum bid. Three years from the date the property was offered for sale, unsold lands escheat to the County in which they are located, free and clear, and all tax certificates, accrued taxes, and liens of any nature against the property are canceled and a deed is executed vesting title in the governing board of such County.

There can be no guarantee that the Uniform Method will result in the payment of Series 2025 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 2025 Assessments, which are the primary source of payment of the Series 2025 Bonds. Additionally, legal proceedings under Federal bankruptcy law brought by or against a landowner who has not yet paid his or her property taxes or assessments would likely result in a delay in the sale of tax certificates. See "BONDOWNERS' RISKS."

BONDOWNERS' RISKS

There are certain risks inherent in an investment in bonds issued by a public authority or governmental body in the State and secured by special assessments. Certain of these risks are described in other headings of this Limited Offering Memorandum. Certain additional risks are associated with the Series 2025 Bonds offered hereby and are set forth below. Prospective investors in the Series 2025 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 2025 Bonds and have the ability to bear the economic risks of such prospective investment, including a complete loss of such investment. This heading does not purport to summarize all risks that may be associated with purchasing or owning the Series 2025 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 2025 Bonds.

Concentration of Land Ownership

As of the date hereof, the Developer owns all of the assessable lands within Assessment Area One, which include the lands that will be subject to the Series 2025 Assessments securing the Series 2025 Bonds. Payment of the Series 2025 Assessments is primarily dependent upon their timely payment by the Developer and the other future landowners in Assessment Area One. Non-payment of the Series 2025 Assessments by any of the landowners could have a substantial adverse impact upon the District's ability to pay Debt Service on the Series 2025 Bonds. See "THE DEVELOPER" and "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2025 BONDS" herein.

Bankruptcy and Related Risks

In the event of the institution of bankruptcy or similar proceedings with respect to the Developer or any other owner of benefited property, delays could occur in the payment of Debt Service on the Series 2025 Bonds, as such bankruptcy could negatively impact the ability of: (i) the Developer and any other landowner to pay the Series 2025 Assessments; (ii) the Tax Collector to sell tax certificates in relation to such property with respect to the Series 2025 Assessments being collected pursuant to the Uniform Method; and (iii) the District to foreclose the lien of the Series 2025 Assessments not being collected pursuant to the Uniform Method. In addition, the remedies available to the Owners of the Series 2025 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 2025 Bonds, including, without limitation,

enforcement of the obligation to pay Series 2025 Assessments and the ability of the District to foreclose the lien of the Series 2025 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 2025 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 2025 Bonds could have a material adverse impact on the interest of the Owners thereof.

A 2011 bankruptcy court decision in Florida held that the governing body of a community development district (which, like the District, is an independent special district), and not the bondholders or indenture trustee, was the creditor of the landowners/debtors in bankruptcy with respect to claims for special assessments, and thus only the district could vote to approve or disapprove a reorganization plan submitted by the debtors in the case. The district voted in favor of the plan. The governing body of the district was at that time elected by the landowners rather than qualified electors. Under the reorganization plan that was approved, a two-year moratorium was placed on the debtor landowners' payment of special assessments. As a result of this non-payment of assessments, debt service payments on the district's bonds were delayed for two years or longer. The Indenture provides for the delegation of certain rights from the District to the Trustee in the event of a bankruptcy or similar proceeding with respect to an "Insolvent Taxpayer" (as previously defined). See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2025 BONDS – Indenture Provisions Relating to Bankruptcy or Insolvency of an Insolvent Taxpayer" herein. The District cannot express any view whether such delegation would be enforceable.

Series 2025 Assessments Are Non-Recourse

The principal security for the payment of the principal and interest on the Series 2025 Bonds is the timely collection of the Series 2025 Assessments. The Series 2025 Assessments do not constitute a personal indebtedness of the landowners of the land subject thereto, but are secured by a lien on such land. There is no assurance that the Developer or subsequent landowners will be able to pay the Series 2025 Assessments or that they will pay such Series 2025 Assessments even though financially able to do so. Neither the Developer nor any other subsequent landowners have any personal obligation to pay the Series 2025 Assessments. Neither the Developer nor any subsequent landowners are guarantors of payment of any Series 2025 Assessments, and the recourse for the failure of the Developer or any subsequent landowner to pay the Series 2025 Assessments is limited to the collection proceedings against the land subject to such unpaid Series 2025 Assessments, as described herein. Therefore the likelihood of collection of the Series 2025 Assessments may ultimately depend on the market value of the land subject to the Series 2025 Assessments. While the ability of the Developer or subsequent landowners to pay the Series 2025 Assessments is a relevant factor, the willingness of the Developer or subsequent landowners to pay the Series 2025 Assessments, which may also be affected by the value of the land subject to the Series 2025 Assessments, is also an important factor in the collection of Series 2025 Assessments. The failure of the Developer or subsequent landowners to pay the Series 2025 Assessments could render the District unable to collect delinquent Series 2025 Assessments and provided such delinquencies are significant, could negatively impact the ability of the District to make the full or punctual payment of Debt Service on the Series 2025 Bonds.

Regulatory and Environmental Risks

The development of the District Lands, including, without limitation, the lands in Assessment Area One, is subject to comprehensive federal, state and local regulations and future changes to such regulations. Approval is required from various public agencies in connection with, among other things, the design, nature and extent of planned improvements, both public and private, and construction of the infrastructure

in accordance with applicable zoning, land use and environmental regulations. Although all such approvals required to date have been received and any further approvals are anticipated to be received as needed, failure to obtain any such approvals in a timely manner could delay or adversely affect the completion of the development of the District Lands in Assessment Area One. See "THE DEVELOPMENT – Development Approvals" herein for more information. See also "LITIGATION – Contraction/De-Annexation Related Litigation" herein.

The value of the land within the District, the success of the Development, the development of Assessment Area One and the likelihood of timely payment of principal and interest on the Series 2025 Bonds could be affected by environmental factors with respect to the land in the District. Should the land be contaminated by hazardous materials, this could materially and adversely affect the value of the land in the District, which could materially and adversely affect the success of the development of the lands within the District and the likelihood of the timely payment of the Series 2025 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, including, without limitation, the lands in Assessment Area One. See "THE DEVELOPMENT – Environmental" for information on environmental site assessments obtained or received. Such information is being provided solely for informational purposes, and nothing herein or in such assessments grants any legal rights or remedies in favor of the Series 2025 Bondholders in the event any recognized environmental conditions are later found to be present on District Lands. Nevertheless, it is possible that hazardous environmental conditions could exist within the District, including, without limitation, the lands in Assessment Area One, or in the vicinity of the District and that such conditions could have a material and adverse impact upon the value of the benefited lands within the District, including, without limitation, the lands within Assessment Area One. No assurance can be given that unknown hazardous materials, protected animals or vegetative species, etc., do not currently exist or may not develop in the future, whether originating within the District or from surrounding property, and what effect such may have on the development or sale of the lands in Assessment Area One.

The value of the lands in the District, including, without limitation, the lands within Assessment Area One, subject to the Series 2025 Assessments could also be adversely impacted by flooding or wind damage caused by hurricanes, tropical storms, or other catastrophic events. In addition to potential damage or destruction to any existing development or construction in or near the District, such catastrophic events could potentially render the District Lands unable to support future development. The occurrence of any such events could materially adversely impact the District's ability to pay principal and interest on the Series 2025 Bonds. The Series 2025 Bonds are not insured, and the District's casualty insurance policies do not insure against losses incurred on private lands within its boundaries.

Economic Conditions and Changes in Development Plans

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

Other Taxes and Assessments

The willingness and/or ability of an owner of benefited land to pay the Series 2025 Assessments could be affected by the existence of other taxes and assessments imposed upon such property by the District, the City, the County or any other local special purpose or general purpose governmental entities.

City, County, school, special district taxes and special assessments, and voter-approved ad valorem taxes levied to pay principal of and interest on debt, including the Series 2025 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 2025 Assessments. In addition, lands within the District may also be subject to assessments by property owners' and homeowners' associations. See "THE DEVELOPMENT – Taxes, Fees and Assessments" herein for additional information.

Under Florida law, a landowner may contest the assessed valuation determined for its property that forms the basis of ad-valorem taxes such landowner must pay. During this contest period, the sale of a tax certificate under the Uniform Method will be suspended. If the Series 2025 Assessments are being collected along with ad valorem taxes pursuant to the Uniform Method, tax certificates will not be sold with respect to such Series 2025 Assessment, even though the landowner is not contesting the amount of the Series 2025 Assessment. However, Section 194.014, Florida Statutes, requires taxpayers challenging the assessed value of their property to pay all non-ad valorem assessments and at least 75% of their ad valorem taxes before they become delinquent. Likewise, taxpayers who challenge the denial of an exemption or classification or a determination that their improvements were substantially complete must pay all non-ad valorem assessments and the amount of ad valorem taxes that they admit in good faith to be owing. If a taxpayer fails to pay property taxes as set forth above, the Value Adjustment Board considering the taxpayer's challenge is required to deny such petition by written decision by April 20 of such year.

Limited Secondary Market for Series 2025 Bonds

The Series 2025 Bonds may not constitute a liquid investment, and there is no assurance that a liquid secondary market will exist for the Series 2025 Bonds in the event an Owner thereof determines to solicit purchasers for the Series 2025 Bonds. Even if a liquid secondary market exists, there can be no assurance as to the price for which the Series 2025 Bonds may be sold. Such price may be lower than that paid by the current Owners of the Series 2025 Bonds, depending on the progress of development of the Development and the lands within Assessment Area One, as applicable, existing real estate and financial market conditions and other factors.

Inadequacy of Reserve Account

Some of the risk factors discussed herein, which, if materialized, would result in a delay in the collection of the Series 2025 Assessments, may not adversely affect the timely payment of Debt Service on the Series 2025 Bonds because of the moneys on deposit in the Series 2025 Reserve Account. The ability of the Series 2025 Reserve Account to fund deficiencies caused by delinquencies in the payment of the Series 2025 Assessments is dependent on the amount, duration and frequency of such deficiencies. Moneys on deposit in the Series 2025 Reserve Account may be invested in certain obligations permitted under the Indenture. Fluctuations in interest rates and other market factors could affect the amount of moneys in the Series 2025 Reserve Account to make up deficiencies. If the District has difficulty in collecting the Series 2025 Assessments, the moneys on deposit in the Series 2025 Reserve Account would be rapidly depleted and the ability of the District to pay Debt Service on the Series 2025 Bonds could be materially adversely affected. In addition, during an Event of Default under the Indenture, the Trustee may withdraw moneys from the Series 2025 Reserve Account and such other Funds, Accounts and subaccounts created under the Master Indenture to pay its extraordinary fees and expenses incurred in connection with such Event of Default. If in fact the Series 2025 Reserve Account is accessed for any purpose, the District does not have a designated revenue source for replenishing such account. Moreover, the District may not be permitted to re-assess real property then burdened by the Series 2025 Assessments in order to provide for the replenishment of the Series 2025 Reserve Account. See "SECURITY FOR AND SOURCE OF PAYMENT

OF THE SERIES 2025 BONDS – Reserve Account" herein for more information about the Series 2025 Reserve Account.

Legal Delays

If the District should commence a foreclosure action against a landowner for nonpayment of Series 2025 Assessments that are not being collected pursuant to the Uniform Method, such landowner and/or its mortgagee(s) may raise affirmative defenses to such foreclosure action. Although the District expects that such affirmative defenses would likely be proven to be without merit, they could result in delays in completing the foreclosure action. In addition, the District is required under the Indenture to fund the costs of such foreclosure. It is possible that the District will not have sufficient funds and will be compelled to request the Holders of the Series 2025 Bonds to allow funds on deposit under the Indenture to be used to pay the costs of the foreclosure action. Under the Code (as defined herein), there are limitations on the amounts of proceeds from the Series 2025 Bonds that can be used for such purpose.

IRS Examination and Audit Risk

The Internal Revenue Service (the "IRS") routinely examines bonds issued by state and local governments, including bonds issued by special districts. In 2016, the IRS concluded its lengthy examination of certain issues of bonds (for purposes of this subsection, the "Audited Bonds") issued by Village Center Community Development District (the "Village Center CDD"). During the course of the audit of the Audited Bonds, Village Center CDD received a ruling dated May 30, 2013, in the form of a non-precedential technical advice memorandum ("TAM") concluding that Village Center CDD is not a political subdivision for purposes of Section 103(a) of the Code because Village Center CDD was organized and operated to perpetuate private control and avoid indefinitely responsibility to an electorate, either directly or through another elected state or local government body. Such a conclusion could lead to the further conclusion that the interest on the Audited Bonds was not excludable from gross income of the owners of such bonds for federal income tax purposes. Village Center CDD received a second TAM dated June 17, 2015, which granted relief to Village Center CDD from retroactive application of the IRS's conclusion regarding its failure to qualify as a political subdivision. Prior to the conclusion of the audits, the Audited Bonds were all refunded with taxable bonds. The audit of the Audited Bonds that were issued for utility improvements were closed without change to the tax exempt status of those Audited Bonds on April 25, 2016, and the audit of the remainder of the Audited Bonds (which funded recreational amenity acquisitions from entities related to the principal landowner in the Village Center CDD) was closed on July 14, 2016, without the IRS making a final determination that the interest on the Audited Bonds in question was required to be included in gross income. However, the IRS letter to the Village Center CDD with respect to this second set of Audited Bonds noted that the IRS found that the Village Center CDD was not a "proper issuer of tax-exempt bonds" and that those Audited Bonds were private-activity bonds that did not fall in any of the categories that qualify for tax-exemption. Although the TAMs and the letters to the Village Center CDD from the IRS referred to above are addressed to, and binding only on, the IRS and Village Center CDD in connection with the Audited Bonds, they reflect the audit position of the IRS, and there can be no assurance that the IRS would not commence additional audits of bonds issued by other community development districts or special districts raising issues similar to the issues raised in the case of the Audited Bonds based on the analysis set forth in the first TAM or on the related concerns addressed in the July 14, 2016 letter to the Village Center CDD.

On February 23, 2016, the IRS published proposed regulations designed to provide prospective guidance with respect to potential private business control of issuers by providing a new definition of political subdivision for purposes of determining whether an entity is an appropriate issuer of bonds the interest on which is excluded from gross income for federal tax purposes. The proposed regulations required that a political subdivision (i) have the power to exercise at least one sovereign power, (ii) be formed and

operated for a governmental purpose, and (iii) have a governing body controlled by or have significant uses of its funds or assets otherwise controlled by a government unit with all three sovereign powers or by an electorate that is not controlled by an unreasonably small number of unrelated electors. On October 4, 2017, the Treasury Department ("Treasury") announced that it would withdraw the proposed regulations, stating that, "while Treasury and the IRS continue to study the legal issues relating to political subdivisions, Treasury and the IRS currently believe that these proposed regulations should be withdrawn in their entirety, and plan to publish a withdrawal of the proposed regulations shortly in the Federal Register. Treasury and the IRS may propose more targeted guidance in the future after further study of the relevant legal issues." Notice of withdrawal of the proposed regulations was published in the Federal Register on October 20, 2017.

It has been reported that the IRS has closed audits of other special districts in the State with no change to such districts' bonds' tax-exempt status, but has advised such districts that such districts must have public electors within the timeframe established by the applicable state law or their bonds may be determined to be taxable retroactive to the date of issuance. The District, unlike Village Center CDD, was formed with the intent that it will contain a sufficient number of residents to allow for a transition to control by a general electorate. Currently, four of the members of the Board of the District were elected by the landowners and one was elected by qualified electors. The Developer will certify as to its expectations as to the timing of the transition of control of the Board of the District to qualified electors pursuant to the Act. Such certification by the Developer does not ensure that such certification shall be determinative of, or may influence the outcome of any audit by the IRS, or any appeal from such audit, that may result in an adverse ruling that the District is not a political subdivision for purposes of Section 103(a) of the Code. Further, there can be no assurance that an audit by the IRS of the Series 2025 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 2025 Bonds are advised that, if the IRS does audit the Series 2025 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 2025 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 2025 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 2025 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 2025 Bonds would adversely affect the availability of any secondary market for the Series 2025 Bonds. Should interest on the Series 2025 Bonds become includable in gross income for federal income tax purposes, not only will Owners of Series 2025 Bonds be required to pay income taxes on the interest received on such Series 2025 Bonds and related penalties, but because the interest rate on such Series 2025 Bonds will not be adequate to compensate Owners of the Series 2025 Bonds for the income taxes due on such interest, the value of the Series 2025 Bonds may decline.

THE INDENTURE DOES NOT PROVIDE FOR ANY ADJUSTMENT IN THE INTEREST RATES ON THE SERIES 2025 BONDS IN THE EVENT OF AN ADVERSE DETERMINATION BY THE IRS WITH RESPECT TO THE TAX-EXEMPT STATUS OF INTEREST ON THE SERIES 2025 BONDS. PROSPECTIVE PURCHASERS OF THE SERIES 2025 BONDS SHOULD EVALUATE WHETHER THEY CAN OWN THE SERIES 2025 BONDS IN THE EVENT THAT THE INTEREST ON THE SERIES 2025 BONDS BECOMES TAXABLE AND/OR THE DISTRICT IS EVER DETERMINED TO NOT BE A POLITICAL SUBDIVISION FOR PURPOSES OF THE CODE AND/OR SECURITIES ACT (AS HEREINAFTER DEFINED).

Loss of Exemption from Securities Registration

The Series 2025 Bonds have not been and will not be registered under the Securities Act of 1933, as amended (the "Securities Act"), or any state securities laws, because of the exemption for securities issued by political subdivisions. It is possible that federal or state regulatory authorities could in the future determine that the District is not a political subdivision for purposes of federal and state securities laws, including without limitation as the result of a determination by the IRS, judicial or otherwise, of the District's status for purposes of the Code. In such event, the District and purchasers of Series 2025 Bonds may not be able to rely on the exemption from registration under the Securities Act relating to securities issued by political subdivisions. In that event, the Owners of the Series 2025 Bonds would need to ensure that subsequent transfers of the Series 2025 Bonds are made pursuant to a transaction that is not subject to the registration requirements of the Securities Act and applicable state securities laws.

Federal Tax Reform

Various legislative proposals are mentioned from time to time by members of Congress of the United States of America and others concerning reform of the internal revenue (tax) laws of the United States. In addition, the IRS may, in the future, issue rulings that have the effect of challenging the interpretation of existing tax laws. Certain of these proposals and interpretations, if implemented or upheld, could have the effect of diminishing the value of obligations of states and their political subdivisions, such as the Series 2025 Bonds, by eliminating or changing the tax-exempt status of interest on such bonds. Whether any such proposals will ultimately become or be upheld as law, and if so, the effect such proposals could have upon the value of bonds such as the Series 2025 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 2025 Bonds. Prospective purchasers of the Series 2025 Bonds should consult their tax advisors as to the impact of any proposed or pending legislation. See also "TAX MATTERS" herein.

State Tax Reform

It is impossible to predict what new proposals may be presented regarding tax reform and/or special districts during upcoming legislative sessions, whether such new proposals or any previous proposals regarding the same will be adopted by the Florida Senate and House of Representatives and signed by the Governor, and, if adopted, the form thereof. On October 31, 2014, the Auditor General of the State released a 31-page report which requests legislative action to establish parameters on the amount of bonds a community development district may issue and provide additional oversight for community development district bonds. This report renewed requests made by the Auditor General in 2011 that led to the Governor of the State issuing an Executive Order on January 11, 2012 (the "Executive Order") directing the Office of Policy and Budget in the Executive Office of the Governor ("OPB") to examine the role of special districts in the State. As of the date hereof, the OPB has not made any recommendations pursuant to the Executive Order nor has the Florida legislature passed any related legislation. It is impossible to predict with certainty the impact that any existing or future legislation will or may have on the security for the Series 2025 Bonds. It should be noted that Article I Section 10 of the Florida Constitution provides that the State pledges it will not enact any legislation impairing the obligation of contracts, which includes any agreement made by the holders of District bonds, such as the Indenture, or any contract entered into by the District in connection with the Series 2025 Bonds.

Insufficient Resources or Other Factors Causing Failure to Complete Development

The cost to finish the Assessment Area One Project will exceed the net proceeds from the Series 2025 Bonds. 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 additional bonds or otherwise, the moneys necessary to complete the Assessment Area One Project. Further, the Indenture sets forth certain limitations on the issuance of additional bonds. See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2025 BONDS – Limitation on Additional Debt" for more information.

Although the Developer will agree to fund or cause to be funded the completion of the Assessment Area One Project regardless of the insufficiency of proceeds from the Series 2025 Bonds and will enter into a completion agreement with the District as evidence thereof, there can be no assurance that the Developer will have sufficient resources to do so. Such obligation of the Developer is an unsecured obligation, and the Developer is a special-purpose entity whose assets consist primarily of its interest in the Development. See "THE DEVELOPER" herein for more information.

There are no assurances that the Assessment Area One Project and any other remaining development work associated with Assessment Area One will be completed. Further, there is a possibility that, even if Assessment Area One is developed, homebuilders may not close on all or any of the lots therein or may not enter into contracts for the remaining planned lots in Assessment Area One, either of which could negatively impact the construction and sale of homes in Assessment Area One. Existing and future builder contracts may also be terminated by the homebuilders upon the occurrence or failure to occur of certain conditions set forth therein. See "THE DEVELOPMENT – Builder Contracts" herein for more information about the Builders (as defined herein) and the existing Builder Contracts (as defined herein).

Pandemics and Other Public Health Emergencies

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

Cybersecurity

The District relies on a technological environment to conduct its operations. The District, its agents and other third parties the District does business with or otherwise relies upon are subject to cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. Entities or individuals may attempt to gain unauthorized access to such parties' digital systems for the purposes of misappropriating assets or information or causing operational disruption and damage. No assurances can be given that any such attack(s) will not materially impact the operations or finances of the District, which could impact the timely payment of Debt Service on the Series 2025 Bonds.

Prepayment and Redemption Risk

In addition to being subject to optional and mandatory sinking fund redemptions, the Series 2025 Bonds are subject to extraordinary mandatory redemption, including, without limitation, as a result of prepayments of the Series 2025 Assessments by the Developer or subsequent owners of the property within Assessment Area One. Any such redemptions of the Series 2025 Bonds would be at the principal amount of such Series 2025 Bonds being redeemed plus accrued interest to the date of redemption. In such event,

owners of the Series 2025 Bonds may not realize their anticipated rate of return on the Series 2025 Bonds and owners of any Premium Bonds (as defined herein) may receive less than the price they paid for the Series 2025 Bonds. See "DESCRIPTION OF THE SERIES 2025 BONDS – Redemption Provisions," "– Purchase of Series 2025 Bonds" and "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2025 BONDS – Prepayment of Series 2025 Assessments" herein for more information.

Payment of Series 2025 Assessments after Bank Foreclosure

In the event a bank forecloses on property because of a default on a mortgage in favor of such bank on any of the assessable lands within Assessment Area One, 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 2025 Assessments levied on such property. In addition, the District would require the consent of the FDIC prior to commencing a foreclosure action.

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ESTIMATED SOURCES AND USES OF SERIES 2025 BOND PROCEEDS

<u>Source of Funds</u>	Series 2025 Bonds
Aggregate Principal Amount of Series 2025 Bonds [Plus/Less: Original Issue Premium/Discount]	\$ _____ _____
Total Sources	\$ _____
<u>Use of Funds</u>	
Deposit to Series 2025 Acquisition and Construction Account	\$ _____
Deposit to Series 2025 Reserve Account	_____
Costs of Issuance, including Underwriter's Discount ⁽¹⁾	_____
Total Uses	\$ _____

(1) Costs of issuance includes, without limitation, legal fees and other costs associated with the issuance of the Series 2025 Bonds.

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DEBT SERVICE REQUIREMENTS

The following table sets forth the scheduled Debt Service on the Series 2025 Bonds:

Period Ending November 1	Principal	Interest	Total
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TOTAL

* Final maturity date of the Series 2025 Bonds.

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THE DISTRICT

General Information

The District, which is the issuer of the Series 2025 Bonds, is a local unit of special purpose government of the State, organized and existing under the provisions of Chapter 2004-456, Laws of Florida, as amended by Chapters 2006-355, 2007-307, 2008-284 and 2022-241, Laws of Florida and other applicable provisions of State law (collectively, the "Act"). The District encompasses approximately 12,444 acres of land and is located both in the City and in an unincorporated portion of the County. The District is located south and west of North River Road, along South Tamiami Trail (U.S. 41), approximately six miles west of Interstate 75.

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 2004 for the planning, construction, maintenance, operation, financing and improving of the systems, facilities and services necessary to meet the infrastructure needs of the District. The Act provides legal authority for the District to issue bonds pursuant to its general powers. The District is classified as an independent special district under Chapter 189, Florida Statutes.

The Act gives the District's Board of Supervisors the authority to, among other things: (a) finance, plan (consistent with applicable City and County comprehensive plans and implementing ordinances, studies and plans and in accordance with the Act), design, acquire, construct, install, operate, equip, upgrade, replace, extend, renovate, and maintain: (i) works or elements for modern comprehensive water management, drainage, environmental, mitigation, preservation, erosion, quality and control purposes, (ii) irrigation works, machinery, plants and appurtenances, (iii) roadways, and to include, either as a component of such roads or independently by themselves, parkways, bridges, landscaping, irrigation, bicycle and jogging paths, street lighting, entry features, traffic signals, road striping, and all other customary elements or appurtenances of a modern road system, (iv) entry features, garages, parking facilities, district offices, buildings, facilities and structures, (v) improvements, works, landscaping, systems, structures, buildings and facilities for community or public purposes, uplands, wetlands, playgrounds, parks, gymnasiums, stadiums, ballfields, greenways, waterways and facilities for indoor and outdoor recreational, sport, cultural and educational uses, (vi) water plants and systems, (vii) sewer systems, (viii) measures to control mosquitoes or other insects and arthropods of public health importance, (ix) lands, works, systems, landscaping, and facilities for preservation areas, conservation areas, environmental areas, mitigation areas and wildlife habitat or sanctuary, and (x) systems and facilities for school buildings and related structures which may be donated to a public school district; (b) levy non-ad valorem assessments; and (c) borrow money and issue negotiable or other bonds of the District as provided in the Act and to pledge or hypothecate non-ad valorem assessments, levies and revenues to secure such bonds, notes or obligations, all in accordance with the Act.

The Act does not empower the District to adopt and enforce any comprehensive plans, building codes, zoning codes or land development codes, and the Act does not empower the District to grant building permits; these functions are to be performed by the general purpose local governments having jurisdiction over the lands within the District, and the Act further requires the District to coordinate its activities with such units of general purpose government in which it is located.

The Act exempts all property owned by the District from levy and sale by virtue of an execution and from judgment liens, but does not limit the right of any bondholders to pursue any remedy for

enforcement of any lien or pledge of the District in connection with its bonds, including the Series 2025 Bonds.

Board of Supervisors

The governing body of the District is its Board of Supervisors (the "Board"), which is composed of five Supervisors (the "Supervisors"). The Act provides that, at the initial meeting of the landowners, Supervisors must be elected by the landowners, with the landowners voting first for two supervisors who are to hold office for an initial term of four years, next for a supervisor who is to hold office for an initial term of three years, next for a supervisor who is to hold office for an initial term of two years, and next for a supervisor who is to hold office for an initial term of one year. Thereafter, each year during the month of June, beginning with June of the second year following the first election, a Supervisor shall be elected by the landowners of the District to take the place of the retiring Supervisor and shall hold office for a term of four years. At all such meetings, each landowner shall be entitled to one vote in person or by written proxy for every acre, or any fraction thereof, of land owned by such landowner in the District. All Supervisors of the District must be citizens of the United States. If, on or before January 1 of any calendar year, there are 6,000 owners of real property in that portion of the District located within the City who are registered voters in the City, then at least one Supervisor elected at the next regularly scheduled election shall be a resident of and owner of real property in that portion of the District located within the City. If, on or before January 1 of any calendar year, there are 3,000 owners of real property in that portion of the District located within the unincorporated area of the County who are registered voters of the County, then at least one Supervisor elected at the next regularly scheduled election shall be a resident of and owner of real property in that portion of the District located within the unincorporated County.* The eligible person receiving the highest number of votes for a Supervisor position shall be declared and elected as such Supervisor. In case of a vacancy in the office of any Supervisor, the remaining Supervisors shall, within ninety (90) calendar days from the occurrence of such vacancy, fill such vacancy until the expiration of that seat's outstanding term when a successor shall be elected by the landowners. See also "LITIGATION – Litigation Related to Urban Area Calculation" herein for more information regarding current litigation concerning the transition of seats to general election.

Section 112.3143(3)(b), Florida Statutes, 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 Developer and its affiliates currently own a majority of the District Lands, and four of the five members of the Board have been elected by affiliates of the Developer.

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* In September 2023, the Board voted to seek legislative changes to the District's enabling documents to clearly define how the Board of Supervisors transitions from a one-acre, one-vote landowner election to a general election of qualified electors. Filed in February 2025, House Bill 4061 in part seeks to amend the criteria for transition to the total number of qualified electors, as independently determined by the Sarasota County Supervisor of Elections. Under the proposed criteria, transitions would occur at clearly defined intervals, based on the number of qualified electors residing within the District. At this time, it is unknown whether HB 4061 will be approved into law.

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

Name	Title	Term Expires
John Luczynski [§]	Chairperson	June 2025
Steve Lewis [§]	Vice-Chairperson	June 2028
Thomas Buckley [§]	Assistant Secretary	June 2025
Christine Masney [§]	Assistant Secretary	June 2027
John Meisel	Assistant Secretary	November 2026

[§] Affiliated with the Developer. Not a Qualified Elector.

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

The District Manager and Other Consultants

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

The District has retained Special District Services, Inc., a Florida corporation, to serve as its district manager ("District Manager"). The District Manager's office is located at 2501A Burns Road, Palm Beach Gardens, Florida 33410, telephone number (561) 630-4922.

The Act further authorizes the Board to hire such employees and agents as it deems necessary. Thus, the District has employed the services of Nabors, Giblin & Nickerson, P.A., Tampa, Florida, as Bond Counsel; Dewberry Engineers Inc., Tampa, Florida, as Consulting Engineer; and Kutak Rock LLP, Tallahassee, Florida, as District Counsel. The Board has also retained the District Manager to serve as Methodology Consultant and Dissemination Agent for the Series 2025 Bonds.

Outstanding Bond Indebtedness and Previous and Existing Bond Defaults

Overlapping Indebtedness

Unit No. 1

The District previously issued its \$34,895,000 Special Assessment Bonds, Series 2007 (Unit of Development No. 1) (the "Series 2007 Bonds") to finance a portion of the master planning and infrastructure improvements within Unit of Development No. 1 within the District ("Unit No. 1"). The District previously defaulted in the payment of certain debt service payments, including both principal and interest, on the Series 2007 Bonds as a result of the failure by the original developer within Unit No. 1 to pay the assessments pledged to repay the Series 2007 Bonds. Subsequently, affiliates of the Developer acquired the lands within Unit No. 1 and the Series 2007 Bonds were brought current in the payment of principal and interest in June 2014. The Series 2007 Bonds were fully redeemed and refunded on August 31, 2017, with the District's \$32,165,000 Special Assessment Revenue Refunding Bonds, Series 2017 (Unit of

Development No. 1) (the "Unit No. 1 Bonds"). The Unit No. 1. Bonds are outstanding as of February 26, 2025 in the aggregate principal amount of \$24,550,000 and are current.

The Unit No. 1 Bonds are secured by the Unit No. 1 Assessments, which are levied on a portion of the District Lands which include Unit No. 12. The Unit No. 1 Assessments constitute a separate and distinct lien from the Series 2025 Assessments. Currently, there is approximately \$1,095,097 of principal amount of Unit No. 1 Bonds levied on the land within Assessment Area One of Unit No. 12; however, this allocated amount is expected to change in the future depending on future development on other lands in the District subject to the Unit No. 1 Assessments. See "ASSESSMENT METHODOLOGY AND THE ALLOCATION OF ASSESSMENTS" for more information regarding the Unit No. 1 Assessments levied on the lands within Assessment Area One.

Non-Overlapping Indebtedness

Unit No. 2

The District previously issued its \$38,005,000 Special Assessment Bonds, Series 2005 (Unit of Development No. 2) (the "Series 2005 Bonds") to finance a portion of the master infrastructure improvements within Unit of Development No. 2 within the District ("Unit No. 2"). The Series 2005 Bonds were secured by the Unit No. 2 Assessments, which were levied on District Lands separate and distinct from the District Lands subject to the Series 2025 Assessments. Commencing in the 2010 tax year, an approximately 105.93 acre parcel (the "Defaulted Property") within Unit No. 2 that was planned for commercial use became delinquent in the payment of its assessments and the Series 2005 Bonds went into default. As of October 1, 2019, the Series 2005 Bonds were delinquent in the amount of \$6,385,000.00 in principal and \$4,202,068.55 in interest, and there was approximately \$22,746,777.25 of delinquent taxes and assessments (including but not limited to amounts due for the payment of principal, interest, and additional interest, penalties and costs that were due as a result of such delinquency) levied upon the Defaulted Property.

On or about October 16, 2019, the District exchanged \$32,965,000 of its Outstanding Series 2005 Bonds for two separate series of bonds designated as the "West Villages Improvement District Special Assessment Bonds, Series 2019A-1 (Unit of Development No. 2)" in the aggregate principal amount of \$15,190,000 (the "Series 2019A-1 Bonds") and the "West Villages Improvement District Special Assessment Bonds, Series 2019A-2 (Unit of Development No. 2)" in the aggregate principal amount of \$17,445,000 (the "Series 2019A-2 Bonds, and together with the Series 2019A-1 Bonds, the "Bifurcated Bonds") in a par to par exchange. In addition, the remaining Series 2005 Bonds were either defeased or cancelled. The Series 2019A-1 Bonds are outstanding as of February 26, 2025 in the aggregate principal amount of \$11,540,000 and are current. The Series 2019A-2 Bonds are outstanding as of February 26, 2025 in the aggregate principal amount of \$12,830,000 and remain in default.

Each series of the Bifurcated Bonds are secured by a series of assessments levied on separate and distinct lands within Unit No. 2, all of which lands are separate and distinct from the District Lands subject to the Series 2025 Assessments securing the Series 2025 Bonds.

Unit No. 3

The District previously issued its \$40,840,000 Special Assessment Bonds, Series 2006 (Unit of Development No. 3) (the "Series 2006 Bonds") to finance a portion of the neighborhood infrastructure improvements within Unit of Development No. 3 within the District ("Unit No. 3"). The District previously defaulted in the payment of certain debt service payments on the Series 2006 Bonds as a result of the failure by the original developer within Unit No. 3 to pay Unit No. 3 Assessments. Subsequently, a new landowner

acquired the lands within Unit No. 3 and such default was cured. The Series 2006 Bonds were fully redeemed and refunded on August 24, 2017 with the District's \$16,550,000 Special Assessment Revenue Refunding Bonds, Series 2017 (Unit of Development No. 3) (the "Unit No. 3 Bonds"). The Unit No. 3 Bonds are outstanding as of February 26, 2025 in the aggregate principal amount of \$12,045,000 and are current.

The Unit No. 3 Bonds are secured by special assessments levied on the lands within Unit No. 3, which lands are separate and distinct from the District Lands subject to the Series 2025 Assessments securing the Series 2025 Bonds.

Unit No. 4

The District previously issued its \$13,090,000 Special Assessments Revenue Bonds (Unit of Development No. 4), Series 2016 (the "Unit No. 4 Bonds") to finance a portion of the neighborhood infrastructure improvements within Unit of Development No. 4 within the District ("Unit No. 4"). The Unit No. 4 Bonds are outstanding as of February 26, 2025 in the aggregate principal amount of \$11,050,000 and are current.

The Unit No. 4 Bonds are secured by special assessments levied on the lands within Unit No. 4, which lands are separate and distinct from the District Lands subject to the Series 2025 Assessments securing the Series 2025 Bonds.

Unit No. 5

The District previously issued its \$13,955,000 Taxable Florida State Sales Tax Payments Revenue Bonds (Atlanta Braves Spring Training Facility) Series 2017A Bonds (the "Unit No. 5 Bonds") to finance a portion of the public improvements (the "2017 Project") on approximately 117 acres of land comprising Unit of Development No. 5 within the District ("Unit No. 5"). The District also issued its \$27,500,000 Series 2017B Note (the "Series 2017B Note"), which is due to mature on December 30, 2033, for the purpose of providing additional funding for the 2017 Project. The Series 2017A Bonds are outstanding as of February 26, 2025 in the aggregate principal amount of \$10,151,000 and are current. The Series 2017B Note is outstanding as of February 26, 2025 in the aggregate principal amount of \$18,261,156. The Unit No. 5 Bonds and the Series 2017B Note are not secured by special assessments.

Unit No. 7

The District previously issued its \$31,040,000 Special Assessment Revenue Bonds (Unit of Development No. 7), Series 2019 (Master Infrastructure) (the "Unit No. 7 Master Bonds") to finance a portion of the master infrastructure improvements (the "Unit No. 7 Project") on all of the lands comprising Unit of Development No. 7 within the District ("Unit No. 7"). The Unit No. 7 Master Bonds are outstanding as of February 26, 2025 in the aggregate principal amount of \$28,920,000 and are current. The Unit No. 7 Master Bonds are secured by special assessments levied on the lands within Unit No. 7 (the "Unit No. 7 Master Assessments"). The Unit No. 7 Master Assessments are levied on lands within Unit No. 7, which lands are separate and distinct from the District Lands subject to the Series 2025 Assessments securing the Series 2025 Bonds.

The District previously issued its \$1,320,000 Special Assessment Revenue Bonds (Unit of Development No. 7), Series 2019 (Village B Parcel) (the "Village B Parcel Bonds") to finance a portion of the neighborhood infrastructure improvements benefitting the lands in the Village B Parcel within Unit No. 7 (the "Village B Parcel Project"). The Village B Parcel Bonds are outstanding as of February 26, 2025 in the aggregate principal amount of \$1,230,000 and are current. The Village B Parcel Bonds are secured by special assessments levied on the lands within the Village B parcel within Unit No. 7, which lands are

separate and distinct from the District Lands subject to the Series 2025 Assessments securing the Series 2025 Bonds.

The District previously issued its \$7,975,000 Special Assessment Revenue Bonds (Unit of Development No. 7) Series 2021 (Villages F-1 and F-5) (the "Unit No. 7 Series 2021 Bonds") to finance a portion of the neighborhood infrastructure improvements benefitting the lands in Villages F-1 and F-5 of Unit No. 7. The Unit No. 7 Series 2021 Bonds are outstanding as of February 26, 2025 in the aggregate principal amount of \$7,480,000 and are current. The Unit No. 7 Series 2021 Bonds are secured by special assessments levied on the lands in Villages F-1 and F-5 of Unit No. 7, which lands are separate and distinct from the District Lands subject to the Series 2025 Assessments securing the Series 2025 Bonds.

The District previously issued its \$4,805,000 Special Assessment Revenue Bonds (Unit of Development No. 7), Series 2023 (Villages F-3 and G-1B) (the "Unit No. 7 Series 2023 Bonds") to finance a portion of the neighborhood infrastructure improvements benefitting the lands in Villages F-3 and G-1B of Unit No. 7. The Unit No. 7 Series 2023 Bonds are outstanding as of February 26, 2025 in the aggregate principal amount of \$4,805,000 and are current. The Unit No. 7 Series 2023 Bonds are secured by special assessments levied on the lands in Villages F-3 and G-1B of Unit No. 7, which lands are separate and distinct from the District Lands subject to the Series 2025 Assessments securing the Series 2025 Bonds.

Unit No. 8

The District previously issued its \$13,000,000 Special Assessment Revenue Bonds (Unit of Development No. 8.), Series 2021 (Master Infrastructure) (the "Unit No. 8 Master Bonds") to finance a portion of the master infrastructure improvements on all of the lands comprising Unit of Development No. 8 within the District ("Unit No. 8"). The Unit No. 8 Master Bonds are outstanding as of February 26, 2025 in the aggregate principal amount of \$12,195,000 and are current. The Unit No. 8 Master Bonds are secured by special assessments on the lands in Unit No. 8.

The District previously issued its \$17,000,000 Special Assessment Revenue Bonds (Unit of Development No. 8), Series 2022 (Neighborhood Infrastructure) (the "Unit No. 8 Series 2022 Bonds") to finance a portion of the neighborhood infrastructure improvements benefitting the lands in Unit No. 8. The Unit No. 8 Series 2022 Bonds are outstanding as of February 26, 2025 in the aggregate principal amount of \$16,760,000 and are current. The Unit No. 8 Series 2022 Bonds are secured by special assessments levied on the lands in Unit No. 8, which lands are separate and distinct from the District Lands subject to the Series 2025 Assessments securing the Series 2025 Bonds.

Unit No. 9

The District previously issued its \$17,130,000 Special Assessment Revenue Bonds (Unit of Development No. 9), Series 2023 (the "Unit No. 9 Series 2023 Bonds") to finance a portion of the master infrastructure improvements benefitting the lands in Unit No. 9. The Unit No. 9 Series 2023 Bonds are outstanding as of February 26, 2025 in the aggregate principal amount of \$16,885,000 and are current. The Unit No. 9 Series 2023 Bonds are secured by special assessments levied on the lands in Unit No. 9, which lands are separate and distinct from the District Lands subject to the Series 2025 Assessments securing the Series 2025 Bonds.

Unit No. 10

The District previously issued its \$19,280,000 Capital Improvement Revenue Bonds (Unit of Development No. 10), Series 2024 (Assessment Area One) (the "Unit No. 10 Series 2024 Bonds") to finance a portion of the master infrastructure improvements and neighborhood infrastructure improvements benefitting the lands in Unit No. 10. The Unit No. 10 Series 2024 Bonds are outstanding as of February 26,

2025 in the aggregate principal amount of \$19,150,000 and are current. The Unit No. 10 Series 2024 Bonds are secured by special assessments levied on the lands in Unit No. 10, which lands are separate and distinct from the District Lands subject to the Series 2025 Assessments securing the Series 2025 Bonds.

The District's prior bonds described herein are collectively referred to as the "Prior Bonds."

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THE PLAN OF IMPROVEMENTS AND THE ASSESSMENT AREA ONE PROJECT

Unit No. 12 Plan of Improvements

In the "West Villages Improvement District Unit of Development No. 12 – Master Engineer's Report" dated January 9, 2025 (the "Engineer's Report"), prepared by Dewberry Engineers Inc. (the "Consulting Engineer"), the Consulting Engineer sets forth certain planned infrastructure improvements for the development of the District's Unit No. 12 (the "Unit No. 12 Plan of Improvements"). Unit No. 12 contains approximately 320.24 acres of land that are planned for approximately 777 residential units at buildout. The District Engineer estimated the total cost of the Unit No. 12 Plan of Improvements to be approximately \$66,452,750.

Land development in Unit No. 12 will occur in phases. Two separate assessment areas are being created in Unit No. 12 to facilitate the District's financing plans. The first phase of development contains approximately 154.4 acres ("Assessment Area One"). Assessment Area One is planned to contain 366 units across two separate residential communities to be known as (i) "Bexley" and (ii) "Oakbend." The Oakbend community contains approximately 84.7874 acres and has been platted to contain 181 single-family lots. The Bexley community contains approximately 69.6 acres and is planned for approximately 185 townhome, cottage and single-family lots; provided, however, that the Bexley product mix and site plan remains subject to change. The first phase of the Unit No. 12 Plan of Improvements is referred to herein as the "Assessment Area One Project." The Series 2025 Bonds are being issued to finance a portion of the Assessment Area One Project.

The second phase of development is expected to include the residential community to be known as "Westlake." Additional bonds are expected to be issued in the future to finance the costs of the Unit No. 12 Plan of Improvements not financed by the Series 2025 Bonds; provided, however, that such additional bonds will be secured by Assessments levied on lands within Unit No. 12 that are separate and distinct from the lands within Assessment Area One.

Assessment Area One Project

In the Engineer's Report, the Consulting Engineer estimated the total cost of the Assessment Area One Project to be approximately \$52,250,250, which consists of (i) \$34,270,000 of master infrastructure improvements within Unit No. 12 ("Master Improvements") and (ii) \$17,980,250 of neighborhood infrastructure costs necessary for the development of Assessment Area One ("Neighborhood Improvements"), as more particularly described below. See "APPENDIX A: ENGINEER'S REPORT" attached hereto for more information.

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Improvements	Estimated Cost
Offsite Master Improvements	
Collector and Arterial Roads	\$21,700,000
Wastewater Treatment Plant (Pro Rata Share)	4,100,000
Water Treatment Plant (Pro Rata Share)	3,500,000
Parks/Government	500,000
Consultants and Administration	<u>4,470,000</u>
Total Master Improvements	\$34,270,000
 Oakbend Neighborhood Improvements	
Earthwork	\$6,400,000
Drainage and Stormwater	1,000,000
Potable Water	905,000
Wastewater	1,500,000
Master Irrigation	250,000
Consultants and Administration	<u>1,508,250</u>
Total Neighborhood Improvements	\$11,563,250
 Bexley Neighborhood Improvements*	
Earthwork	\$4,000,000
Drainage and Stormwater	400,000
Potable Water	350,000
Wastewater	580,000
Master Irrigation	250,000
Consultants and Administration	<u>837,000</u>
Total Neighborhood Improvements	\$6,417,000
 TOTAL	 \$52,250,250

* The Bexley neighborhood is referred to in the Engineer's Report by its prior name of "East Common."

As described above, the Engineer's Report describes the Master Improvements, which consist of those portions of the master infrastructure for the Wellen Park community that were allocated to Unit No. 12. These improvements are substantially complete. The Neighborhood Improvements set forth in the Engineer's Report and described above are the District's planned onsite infrastructure improvements necessary for the development of Assessment Area One. Development of the Neighborhood Improvements commenced in approximately September 2024. Final completion is expected by June 2025 in Oakbend and by the first quarter of 2026 for Bexley. The plat for Oakbend was recorded March 17, 2025. The final site plan for Bexley is still being finalized, with platting anticipated in approximately the first quarter of 2026. See "THE DEVELOPMENT – Development Plan and Status" herein for more information.

The Developer estimates the total land development and construction costs associated with the Neighborhood Improvements in Assessment Area One to be approximately \$38.9 million, including approximately \$10.5 million in private roadway construction and gatehouse costs and approximately \$10.3 million of Amenities (as defined herein) associated with Assessment Area One. See "THE DEVELOPMENT – Amenities" herein for more information. As of February 28, 2025, the Developer has spent approximately \$6.2 million on land development activity associated with Assessment Area One, a portion of which includes the Assessment Area One Project and the Amenities within Assessment Area

One. Net proceeds of the Series 2025 Bonds in the approximate amount of \$9.47 million* will be available to finance the District's construction and/or acquisition from the Developer of the Assessment Area One Project. The Developer will enter into a completion agreement at closing on the Series 2025 Bonds to complete the Assessment Area One Project. See "THE DEVELOPMENT – Land Acquisition and Finance Plan" and "BONDOWNERS' RISKS – Insufficient Resources or Other Factors Causing Failure to Complete Development" herein.

The Consulting Engineer has indicated that all permits necessary to construct the Assessment Area One Project have been obtained or are expected to be obtained in the ordinary course. In addition to the Engineer's Report, please refer to "THE DEVELOPMENT – Development Approvals" herein for a more detailed description of the entitlement and permitting status of the Development.

Set forth on the following page is a map depicting the general location of Unit No. 12 (Village D), as well as the location of the Oakbend and Bexley communities, which constitute Assessment Area One.

[Remainder of page intentionally left blank.]

* Preliminary, subject to change.



UNIT 12:
TOTAL = 320.24 AC

ASSESSMENT AREA 1:
 OAKBEND = ±84.8 AC
 BEXLEY = ±69.6 AC
TOTAL = 154.4 AC

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ASSESSMENT METHODOLOGY AND THE ALLOCATION OF ASSESSMENTS

The Master Special Assessment Methodology Report – West Villages Improvement District Unit of Development No. 12, dated January 9, 2025 (the "Master Methodology"), as supplemented by the Preliminary First Supplemental Special Assessment Methodology Report – West Villages Improvement District Unit of Development No. 12 (Assessment Area One), dated March 7, 2025 (the "Supplemental Methodology" and together with the Master Methodology, the "Assessment Methodology"), which allocate the Series 2025 Assessments to the lands within Assessment Area One, has been prepared by Special District Services, Inc., Palm Beach Gardens, Florida (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 2025 Bonds are determined, the Supplemental Methodology will be revised to reflect such final terms. Once levied and imposed, the Series 2025 Assessments are first liens on the lands within Assessment Area One against which they are assessed until paid or barred by operation of law, co-equal with other taxes and assessments levied by the District and other units of government. See "ENFORCEMENT OF ASSESSMENT COLLECTIONS" herein.

The Series 2025 Bonds are payable from and secured by a pledge of the Series 2025 Trust Estate, which consists primarily of the Series 2025 Assessments. The Series 2025 Assessments will initially be levied on the 181 platted lots within Oakbend and approximately 69.6 gross acres within Bexley, which are planned for approximately 185 lots. Upon full platting of Assessment Area One, the Series 2025 Assessments are expected to be assigned to a total of 366 residential units therein in accordance with the Assessment Methodology; provided, however, that final Bexley site plan and product mixes remains subject to change.

The lands in the Development are also located within the District's Unit No. 1. Accordingly, in addition to the Series 2025 Assessments, the lands in Assessment Area One are subject to non-ad valorem special assessments levied by the District in connection with improvements and services provided by Unit No. 1 (the "Unit No. 1 Assessments"). The Unit No. 1 Assessments will continue to be levied against the lands in the Development, including Assessment Area One, following the issuance of the Series 2025 Bonds. The Unit No. 1 Assessments are subject to change as development progresses in the District. In the 2024–25 fiscal year, the Unit No. 1 Assessments were \$166 per year (principal and interest) for lands of one-half acre or less. See "THE DISTRICT – Outstanding Bond Indebtedness and Previous and Existing Bond Defaults" for more information on the District's prior assessments.

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Set forth below is a chart illustrating the estimated total net assessments (excluding gross up to account for collection costs and early payment discount) for Assessment Area One (consisting of the Series 2025 Assessments securing the Series 2025 Bonds and the Unit No. 1 Assessments), assuming full platting of Assessment Area One as described herein:

Product Type	# of Units	Net Annual Unit No. 1 Assessments	Net Annual Series 2025 Assessments*	Total Net Annual Debt Assessments*
<u>Bexley</u>				
Townhomes 20'	40	\$166	\$ 780	\$ 946
Cottage 35'	35	\$166	\$1,365	\$1,531
Single-Family 55'	55	\$166	\$2,145	\$2,311
Single-Family 60'	55	\$166	\$2,340	\$2,506
<u>Oakbend</u>				
Single-Family 50'	92	\$166	\$1,950	\$2,116
Single-Family 60'	<u>89</u>	\$166	\$2,340	\$2,506
Total	366			

* Preliminary, subject to change. Final product mix remains subject to adjustment.

The chart below illustrates the total estimated principal amount of assessments levied on Assessment Area One (including the Series 2025 Bond par and the Unit No. 1 Bond par), assuming full platting of Assessment Area One as described herein:

Product Type	# of Units	Unit No. 1 Par	Series 2025 Par*	Total Par*
<u>Bexley</u>				
Townhomes 20'	40	\$1,708	\$11,154	\$12,862
Cottage 35'	35	\$1,708	\$19,519	\$21,227
Single-Family 55'	55	\$1,708	\$30,673	\$32,381
Single-Family 60'	55	\$1,708	\$33,461	\$35,169
<u>Oakbend</u>				
Single-Family 50'	92	\$1,708	\$27,884	\$29,592
Single-Family 60'	<u>89</u>	\$1,708	\$33,461	\$35,169
Total	366			

* Preliminary, subject to change. Final product mix remains subject to adjustment. See APPENDIX E attached hereto for more information.

The District also anticipates continuing to levy assessments to cover its operation and maintenance costs that, along with Unit No. 1 and District-wide operation and maintenance assessments, are expected to be approximately \$400 per unit in Unit No. 12 annually, but such amount is subject to change. The land within the District has been and will continue to be subject to taxes and assessments imposed by taxing authorities other than the District. The City, the County and the School Board each levy ad valorem taxes annually upon the land in the District. Voters may approve additional millages levied for general obligation bonds, as to which no limit applies. The total millage rate in Unit No. 12 of the District in 2024 was approximately 14.5556 mills. These taxes will be payable in addition to the Series 2025 Assessments and other assessments levied by the District. The District has no control over the level of ad valorem taxes and/or special assessments levied by other taxing authorities. It is possible that in future years, taxes levied by these other entities could be substantially higher than in the current year. See "THE DEVELOPMENT – Taxes, Fees and Assessments" for more information, including expected homeowner association fees.

The information appearing below under the captions "THE DEVELOPMENT" and "THE DEVELOPER" has been furnished by the Developer for inclusion in this Limited Offering Memorandum and, although believed to be reliable, such information has not been independently verified by Bond Counsel, the District or its counsel, or the Underwriter or its counsel, and no persons other than the Developer make any representation or warranty as to the accuracy or completeness of such information supplied by them. The following information is provided by the Developer as a means for the prospective bondholders to understand the anticipated development plan and risks associated with the Development. The Developer is not guaranteeing payment of the Series 2025 Bonds or the Series 2025 Assessments.

THE DEVELOPMENT

General

The District Lands contain a portion of the community known as Wellen Park, which is being developed by Wellen Park, LLLP and its affiliates (which may be referred to herein singularly or collectively as the "Master Developer"). The District Lands contain approximately 12,444 acres and, at buildout, are expected to contain approximately 25,000 units. The District was created to provide for the acquisition, construction, operation and maintenance of infrastructure improvements for the District Lands, which are located within both the City and unincorporated portions of the County.

The District Lands are located along South Tamiami Trail (U.S. Highway 41), south and west of North River Road and approximately six miles west of Interstate 75. Under the Act, the District is authorized to create separate "Units of Development" to facilitate the development of the District Lands. Other portions of the District are in the process of being developed, and units are being sold. IslandWalk (Divosta / Pulte Homes), Gran Paradiso (Lennar Homes), Preserve (D.R. Horton), Oasis (M/I Homes) and Tortuga (Lennar Homes) are completed and closed out. Grand Living, a senior living community offering independent living, assisting living and memory care, is complete and leasing. The Stillwell (Coastal Development) build-for-rent community is also substantially complete and leasing. Two apartment communities called Tropia and Solea (55+ age restricted) are also complete and actively leasing. Active communities and developers include Antigua (Lennar Homes), Renaissance (Mattamy Homes), Solstice (Toll Brothers), Sunstone (Mattamy Homes), Avelina (Neal Communities), Wysteria (Neal Communities), Gran Place (Sam Rodgers), Wellen Park Golf & Country Club (Lennar Homes), Brightmore (55+ age restricted) (Mattamy Homes), Everly (Homes by West Bay, John Cannon Homes, Lee Wetherington Homes and Neal Signature Homes), Lakespur (Lennar Homes, Pulte and Mattamy Homes), Palmera (Mattamy Homes, M/I Homes, Neal Communities, Weekley, Towne and ICI) and a build-for-rent community, BB Living (Toll Brothers). All of the communities referenced above are in Unit No. 1, 2, 3, 4, 6, 7, 8, 9 or 10. Additionally, Neal Communities is preparing to commence expansion of its Boca Royale community into Wellen Park in Unit No. 11.

The District Lands are located in one of the fastest growing sub-markets within the State, with approximately 7,000 total homes closed within the District through mid-February 2025. In 2024, communities within Wellen Park (a portion of which is outside the District) sold approximately 956 homes, at an average sales price of approximately \$580,000, making the sub-market one of the top ten selling communities in the country.

The portion of the District Lands that has most recently commenced land development activity is Unit of Development No. 12 ("Unit No. 12" or the "Development"). Unit No. 12 contains approximately 320.24 acres of land and is planned to consist of three separate residential communities to be known as (i) "Bexley," (ii) "Oakbend" and (iii) "Westlake." Land development associated with Unit No. 12 is being phased. Two separate assessment areas are being created within Unit No. 12 to facilitate the District's financing plans. The first phase of development, which corresponds to the two residential communities

known as (i) "Bexley" and (ii) "Oakbend," is planned to contain approximately 366 units; provided, however, that the Bexley product mix and site plan remains subject to change ("Assessment Area One"). The second phase of development is expected to include the residential community to be known as "Westlake," which is expected to be developed and financed in the future. See "– Development Plan and Status" below for more information about the status of development within each of the communities within Assessment Area One.

The Series 2025 Bonds are being issued to finance a portion of the Assessment Area One Project. See "THE PLAN OF IMPROVEMENTS AND THE ASSESSMENT AREA ONE PROJECT" herein for more information. The Series 2025 Bonds will be secured by the Series 2025 Assessments, which will be levied on the lands within Assessment Area One and assigned to the approximately 366 units planned therein, as more particularly set forth in the Assessment Methodology attached hereto. See "ASSESSMENT METHODOLOGY AND THE ALLOCATION OF ASSESSMENTS" herein. The Series 2025 Assessments will be levied on a portion of the District Lands that also secure the Unit No. 1 Bonds. The Series 2025 Assessments will share co-equal lien status with the special assessments securing the Unit No. 1 Bonds. See "THE DISTRICT – Outstanding Bond Indebtedness and Previous and Existing Bond Defaults" and "THE DEVELOPMENT – Taxes, Fees and Assessments" herein for more information.

Main Street Ranchlands, LLLP, a Florida limited liability limited partnership (the "Developer"), which is an affiliate of Wellen Park, LLLP, is the landowner and developer for Unit No. 12. The Developer is installing infrastructure improvements for Unit No. 12. The Developer has entered into contracts with homebuilders for the sale of the 181 single-family lots planned for Oakbend as follows: (i) 89 developed lots with ICI (as defined herein) in two takedowns and (ii) 92 developed family lots with Toll (as defined herein) in two takedowns. The Developer is in negotiations with its affiliate Mattamy Tampa/Sarasota (as defined herein) for lots planned in Bexley; provided, however, the site plan and product mix for Bexley are still being finalized and any contract resulting from such negotiations is subject to change to reflect such revisions. The homebuilders within Assessment Area One are collectively referred to herein as the "Builders." See "THE DEVELOPER" and "THE DEVELOPMENT – Builder Contracts" herein for more information.

Assessment Area One is planned to contain various product types, including townhomes, cottages and single-family detached homes of varying lot widths across the two communities within Assessment Area One, all of which will be subject to the Series 2025 Assessments. The target market for purchasers within Assessment Area One includes both age-targeted and multi-generational buyers. See "THE DEVELOPMENT – Residential Product Offerings" herein for more information.

Update on Wellen Park

Wellen Park is the spring training home of the Atlanta Braves. It contains a \$100 million stadium complex (exclusive of land acquisition and infrastructure costs), which includes 6,200 fixed seats and 1,000 berm seats, six full and two practice fields, a 55,000-square foot clubhouse and office building, outfield patio and bar areas. The principal purpose of the stadium is for Major League Baseball® spring training. The facility is used by the Braves throughout the year for additional purposes, including extended spring training games and instructional league games. Other year-round activities hosted by the Braves include special events, fantasy camps, concerts and festivals. The campus is also available for community events. The City, County, District and community have access to the Public Plaza and multipurpose fields for art shows and other community events when there are no Atlanta Braves events. The multipurpose grass fields can accommodate soccer, lacrosse and other field sports and will be available throughout the year when not used for overflow parking. Construction of the spring training facility is complete.

Wellen Park also includes the Marketplace, an approximately 24-acre site that includes approximately 88,000 leasable square feet and approximately six acres of outparcels, located at the intersection of West Villages Parkway and U.S. Highway 41. The project was a joint venture between GB WV, LLC, an affiliate of The Sembler Company, and WV Parkway Commercial 1, LLLP, an affiliate of the Developer. Construction of the Marketplace is complete. The Marketplace is anchored by a Publix supermarket. The Publix lease is for 48,387 square feet. The Marketplace includes a variety of other tenants as well, including Dunkin', HCA Florida Healthcare, West Villages Dental Care, West Villages Animal Clinic, a UPS Store and multiple restaurants. Five outparcels have been sold and closed to unrelated third parties. A 1.7-acre parcel with a ground lease to 7-11 was sold for approximately \$2,705,000 in June 2020, a 1.3-acre parcel with a ground lease to Chase Bank was sold for \$3,150,000 in January 2021, a one-acre parcel was sold for \$1,100,000 in August 2021 and has been developed as an Ace Hardware, and a one acre parcel was sold to Fifth Third Bank for \$1,400,000 in March 2023. All of these businesses are open and operating. A fifth outparcel of approximately 1.1 acres was sold for \$1,300,000 in December 2021 and is currently vacant.

The Wellen Park Welcome Center opened in November 2020. It is a 5,000-square foot facility staffed with ambassadors to meet with potential homebuyers to provide information regarding Wellen Park and the local area and to assist them in identifying neighborhoods and homes that meet their specific needs. The new space is equipped with touchscreen displays for up-to-minute information on Wellen Park, from available homes and model plans to upcoming events to local retailer information.

Located across from the Marketplace site is the State College of Florida (approximately 3,000 students) and an undeveloped site owned by Sarasota Memorial Hospital (currently undeveloped).

The Wellen Park Commercial District is located in Village E along U.S. Highway 41 and includes the following:

Costco – 110,000 square foot facility, with gas station, which is complete and open for business.

Millenium Physicians Group – 40,000 square feet of medical office space, which is complete and open for business.

Casto\Exalt – 50,000 square feet of medical office space, which is under construction, with completion expected in approximately the second quarter of 2026.

Bayside Pet Resort – Complete and open for business.

WMG Developers – Commercial property expected to include up to 80,000 square feet with completion expected in late 2025 or early 2026. The complete tenant mix is to be determined, but is expected to include Starbucks, Heartland Dental and Aldis.

College Preparatory Academy Charter School – Kindergarten through Grade 7 is currently open for the 2024/2025 school year, with expansion to Kindergarten through Grade 8 expected for the 2025/2026 school year.

Prodigy Early Learning Center – Preschool is currently open for children from infants to kindergarteners.

Downtown Wellen is designed as a mixed-use development that will serve as a shopping, dining and entertainment destination for the community. The initial phase has gross leasable area of approximately 45,000 square feet, is fully leased to a variety of restaurant, retail and office tenants and is open for business.

A second phase containing approximately 44,000 square feet of gross leasable area is currently under construction, with an estimated opening date of December 2025. Pre-leasing activities are underway.

The Wellen Park Community Garden was recently completed and includes 47 garden stalls for lease by community residents. The garden is currently 81% leased.

There are currently 12 active for-sale residential communities. The Tropia and Solea apartments are complete and actively renting. The Stillwell build-to-rent community is substantially complete and actively renting, and the BB Living build-to-rent community is nearing completion. These communities are located within the District (in Unit Nos. 1, 4, 6, 7, 8, 9 and 10).

Land Acquisition and Finance Plan

The Developer, with several of its affiliated entities, acquired approximately 9,675 acres in the District in transactions in May 2014, January 2015 and November 2015 for approximately \$101 million. The Developer and its affiliates have additionally invested approximately \$650 million on land development and construction costs in the District through February 28, 2025. There are currently no mortgages on the District Lands within Assessment Area One.

The Developer estimates the total land development and construction costs associated with the Neighborhood Improvements in Assessment Area One to be approximately \$38.9 million, including approximately \$10.5 million in private roadway construction and gatehouse costs and approximately \$10.3 million of Amenities (as defined herein) associated with Assessment Area One. See "–Amenities" herein for more information. As of February 28, 2025, the Developer has spent approximately \$6.2 million on land development activity associated with Assessment Area One, a portion of which includes the Assessment Area One Project and the Unit No. 12 Amenities. Net proceeds of the Series 2025 Bonds in the approximate amount of \$9.47 million* will be available to finance the District's construction and/or acquisition from the Developer of the Assessment Area One Project. The Developer will enter into a completion agreement at closing on the Series 2025 Bonds to complete the Assessment Area One Project. See "BONDOWNERS' RISKS – Insufficient Resources or Other Factors Causing Failure to Complete Development" herein.

Development Plan and Status

Set forth below is a summary of the development plan as it pertains to Assessment Area One.

Oakbend. Oakbend is planned for 181 single-family lots, which are under contract to ICI and Toll. Land development is ongoing. Closings on the initial 93 developed lots is expected to occur in the second quarter of 2025. An additional 88 lots are expected to be developed and closed in the second quarter of 2026. Vertical construction and sales of homes by the respective Builders are expected to commence shortly after the initial land closings. A plat for all 181 single-family lots in Oakbend was recorded on March 17, 2025. Closings with homebuyers are expected to commence in the first quarter of 2026.

Bexley. Bexley is currently planned for 185 townhome, cottage and single-family lots, but the site plan and product mix are still being finalized and are subject to change. Mass grading is underway. The Developer is in negotiations with Mattamy Tampa/Sarasota for developed lots in Bexley, subject to final site plan revisions. Lot deliveries are expected to occur in the first quarter of 2026. A plat will be prepared once the site plan is completed. Closings with homebuyers are expected to commence in the first quarter of 2027.

* Preliminary, subject to change.

The Developer anticipates that approximately 170 homes within Assessment Area One will close with homebuyers per annum until buildout. This anticipated absorption rate 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 rates will occur or be realized in the timeframes anticipated. See "BONDOWNERS' RISKS – Economic Conditions and Changes in Development Plans" herein.

Builder Contracts

The Developer has entered into contracts (collectively, the "Builder Contracts") with the following homebuilders (collectively, the "Builders") as set forth below. The total expected aggregate purchase price for all 366 units planned for Assessment Area One is expected to be approximately \$52 million.

Oakbend

- The Developer has entered into a contract (the "ICI Homes Contract"), with ICI Homes of Tampa, LLC, a Florida limited liability company ("ICI Homes"). The ICI Homes Contract provides for the sale, in two takedowns, of 89 developed 60' single-family lots at a purchase price of \$171,000 per lot for an aggregate purchase price of \$15,219,000. ICI Homes has made deposits under the ICI Homes Contract which are nonrefundable to ICI Homes except upon the failure of the Developer to close thereunder. The initial closing of 41 lots is expected to occur in May 2025, with the second takedown of 48 lots expected to occur in May 2026.
- The Developer has also entered into a contract (the "Toll Contract"), with Toll Southeast LP Company, Inc., a Delaware corporation ("Toll"). The Toll Contract provides for the sale, in two takedowns, of 92 developed 50' single-family lots at a purchase price of \$142,500 per lot, for an aggregate purchase price of \$13,110,000. Toll has made deposits under the Toll Contract which are nonrefundable to Toll except upon the failure of the Developer to close thereunder. The initial closing of 53 lots is expected to occur in May 2025, with the second takedown of 39 lots expected to occur in May 2026.

Bexley

- The Developer is in negotiations with its affiliate Mattamy Tampa/Sarasota, LLC, a Delaware limited liability company ("Mattamy Tampa/Sarasota"), for the 185 townhome, cottage and single-family lots currently planned for Bexley. Contract negotiations are ongoing as the site plan and product mix are being finalized.

The Builders' obligations to close on lots under the Builder Contracts are 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 respective Builder Contracts, there is a risk that Builders will not close on lots within Assessment Area One. See "BONDOWNERS' RISKS – Insufficient Resources or Other Factors Causing Failure to Complete Development" herein.

Residential Product Offerings

Homes within Assessment Area One are anticipated to cater to age-targeted and multi-generational buyers. Set forth below is a table, which sets forth the expected product offerings within Assessment Area

One that will be subject to the Series 2025 Assessments. Prices are estimated based on similar Mattamy communities and product types. Actual pricing may vary.

Bexley

Product Type	Estimated Sq. Footage	Beds/Baths	Estimated Price Points
Townhomes 20'	1,832 – 1,871	2/2	\$380,000 – \$400,000
Cottages 35'	2,452 – 3,053	4/3	\$400,000 – \$425,000
Single-Family 55'	2,852 – 3,501	4/3.5	\$550,000 – \$650,000
Single-Family 60'	2,875 – 3,640	4/4.5	\$750,000 – \$1,000,000

Oakbend

Product Type	Estimated Sq. Footage	Beds/Baths	Estimated Price Points
Single-Family 50'	1,917 – 3,125	4/3	\$550,000 – \$800,000
Single-Family 60'	2,624 – 3,999	4/3.5	\$750,000 – \$900,000

Development Approvals

Assessment Area One is located within Wellen Park Village D, which, in turn, is located within the incorporated boundaries of the City. The City has created a Village Land Use Classification for the development of approximately 8,000 acres of land, including Village D and the Development, pursuant to the City's Comprehensive Plan. Wellen Park received a "Village Zoning District" designation under the Village Land Use Classification, pursuant to a zoning ordinance adopted by the City Commission on May 26, 2015. The City approved the Village District Pattern Plan for Village D on November 10, 2017. The land within Assessment Area One has all zoning approvals necessary for the development described herein. The land is subject to various development agreements with the City. The Consulting Engineer has indicated that all permits necessary to construct the Assessment Area One Project have been obtained or expected to be obtained in the ordinary course. See "APPENDIX A: ENGINEER'S REPORT" for additional information on the status of permits for the Development as a whole. See "BONDOWNERS' RISKS – Regulatory and Environmental Risks" and "BONDOWNERS' RISKS – Insufficient Resources or Other Factors Causing Failure to Complete Development" herein.

Environmental

A Phase 1 Environmental Site Assessment (the "2014 ESA") was performed in March 2014 on approximately 10,000 acres, including all of the lands within the Development. The 2014 ESA identified recognized environmental conditions ("RECs") associated with two LUST (leaking underground storage tank) facilities located adjacent to the District Lands, which are eligible for state funding for site assessment and remedial activities. The 2014 ESA did not reveal the presence of any RECs within the Development and did not recommend additional assessment activities. See "BONDOWNERS' RISKS – Regulatory and Environmental Risks" herein for more information regarding potential environmental risks.

Amenities

Community-wide amenities available to Unit No. 12 and other District residents include the Atlanta Braves spring training complex, as well as "Blue Heron Park" (a public park constructed in Village B near River Road), the Marketplace shopping center anchored by a Publix supermarket, the Downtown Wellen mixed-use development in Village D (which includes shopping, dining and entertainment options), the Grand Lake and 20 miles of trails. A community garden was completed in 2024. Wellen Park Golf and Country Club, a bundled golf community being developed by Lennar, is currently allowing public access but will eventually be for the exclusive use of its members and guests.

Oakbend and Bexley each will contain amenities located within their respective communities. Construction of the Oakbend amenity is expected to commence in August 2025, with completion expected in the third quarter of 2026, at a total cost of approximately \$5 million. Construction of the Bexley amenity is expected to commence in the third quarter of 2027 and be completed by the third quarter of 2028, at a total approximate cost of \$5 million (collectively, the "Amenities"). The Developer anticipates funding the Amenities from Developer equity. The Amenities are expected to be owned and managed by homeowners' associations.

Utilities

The City will provide water and sewer service to the Development from plants previously constructed by the District (wastewater plant) and the Master Developer (water plant). Both plants were conveyed to the City. Florida Power & Light Company provides electrical service to the Development. Natural gas is provided by TECO. The District will own and operate the stormwater management facilities.

Taxes, Fees and Assessments

The Series 2025 Bonds are payable from and secured by a pledge of the Series 2025 Trust Estate, which consists primarily of the Series 2025 Assessments. The Series 2025 Assessments will initially be levied on the 181 platted lots within Oakbend and approximately 69.6 gross acres within Bexley, which are planned for approximately 185 lots. Upon full platting of Assessment Area One, the Series 2025 Assessments are expected to be assigned to a total of 366 residential units therein in accordance with the Assessment Methodology; provided, however, that final Bexley site plan and product mixes remains subject to change. See "ASSESSMENT METHODOLOGY AND THE ALLOCATION OF ASSESSMENTS" for more information.

The lands in the Development are also located within the District's Unit No. 1. Accordingly, in addition to the Series 2025 Assessments, such lands within Assessment Area One are subject to non-ad valorem special assessments levied by the District in connection with improvements and services provided by Unit No. 1 (the "Unit No. 1 Assessments"). The Unit No. 1 Assessments will continue to be levied against the lands in the Development following the issuance of the Series 2025 Bonds. The Unit No. 1 Assessments are subject to change as development progresses in the District. In the 2024–25 fiscal year, the Unit No. 1 Assessments were \$166 per year (principal and interest) for lands of one-half acre or less. See "THE DISTRICT – Outstanding Bond Indebtedness and Previous and Existing Bond Defaults" for more information on the District's prior assessments.

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Set forth below is a chart illustrating the estimated total net assessments (excluding gross up to account for collection costs and early payment discount) for Assessment Area One (consisting of the Series 2025 Assessments securing the Series 2025 Bonds and the Unit No. 1 Assessments), assuming full platting of Assessment Area One as described herein:

Product Type	# of Units	Net Annual Unit No. 1 Assessments	Net Annual Series 2025 Assessments*	Total Net Annual Debt Assessments*
<u>Bexley</u>				
Townhomes 20'	40	\$166	\$ 780	\$ 946
Cottage 35'	35	\$166	\$1,365	\$1,531
Single-Family 55'	55	\$166	\$2,145	\$2,311
Single-Family 60'	55	\$166	\$2,340	\$2,506
<u>Oakbend</u>				
Single-Family 50'	92	\$166	\$1,950	\$2,116
Single-Family 60'	<u>89</u>	\$166	\$2,340	\$2,506
Total	366			

* Preliminary, subject to change. Final product mix remains subject to adjustment.

The chart below illustrates the total estimated principal amount of assessments levied on Assessment Area One (including the Series 2025 Bond par and the Unit No. 1 Bond par), assuming full platting of Assessment Area One as described herein:

Product Type	# of Units	Unit No. 1 Par	Series 2025 Par*	Total Par*
<u>Bexley</u>				
Townhomes 20'	40	\$1,708	\$11,154	\$12,862
Cottage 35'	35	\$1,708	\$19,519	\$21,227
Single-Family 55'	55	\$1,708	\$30,673	\$32,381
Single-Family 60'	55	\$1,708	\$33,461	\$35,169
<u>Oakbend</u>				
Single-Family 50'	92	\$1,708	\$27,884	\$29,592
Single-Family 60'	<u>89</u>	\$1,708	\$33,461	\$35,169
Total	366			

* Preliminary, subject to change. Final product mix remains subject to adjustment. See APPENDIX E attached hereto for more information.

The District also anticipates levying assessments to cover its operation and maintenance costs that, along with Unit No. 1 and District-wide operation and maintenance assessments, are expected to be approximately \$400 per unit in Unit No. 12 annually, but such amount is subject to change. In addition, homes in the Development will be subject to homeowners' and/or condominium association fees, as applicable, which have not yet been determined and are expected to vary by neighborhood. The land within the District has been and will continue to be subject to taxes and assessments imposed by taxing authorities other than the District. The City, the County and the School Board each levy ad valorem taxes annually upon the land in the District. Voters may approve additional millages levied for general obligation bonds, as to which no limit applies. The total millage rate in Unit No. 12 of the District in 2024 was approximately 14.5556 mills. These taxes will be payable in addition to the Series 2025 Assessments and other assessments levied by 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. 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

The public schools for children residing in the Development are currently Taylor Ranch Elementary School, Venice Middle School and Venice Senior High School, which are located approximately two miles, three miles and 11 miles away from the Development, respectively, and which were each rated A by the Florida Department of Education in 2024. The Sarasota County School Board may change school boundaries from time to time and there is no requirement that students residing in the Development be permitted to attend the schools which are closest to the Development.

The College Preparatory Academy is open in the Wellen Park Commercial District (Village E) with grades K-7 offered in the 2024/2025 school year and K-8 planned for the 2025/2026 school year. The Prodigy Learning Center pre-school, located adjacent to the College Preparatory Academy, is also open and serving children from infants to kindergarten. The Sarasota County School Board acquired land near Unit No. 9 to construct a K-12 school. Wellen Park High School (Grades 9 – 12), is expected to open in August 2026, with an elementary / middle school (Grades 1 – 8) expected to open at a later, to be determined, date. The Primrose School at Wellen Park ("Primrose") is a preschool located in Downtown Wellen that will serve children from infants to kindergarten and opened in March 2025. The State College of Florida, with a collegiate high school program, is located adjacent to and between Villages D and E.

Competition

The Development is expected to compete with other neighborhoods in Wellen Park including, most specifically, Palmera, Lakespur, and Wellen Park Golf & Country Club and with projects in the County market generally, provided, however, the Traditional Neighborhood Development style planned for Bexley is somewhat unique in both Wellen Park and the local market. Wellen Park overall competes with other large-scale master-planned communities in the region, particularly Lakewood Ranch and Babcock Ranch. This section does not purport to summarize all of the existing or planned communities in the area of the Development, but rather provides a description of those that the Developer believes pose primary competition to the Development.

Developer Agreements

The Developer will enter into a completion agreement that will obligate the Developer to complete any portion of the Assessment Area One Project not funded with proceeds of the Series 2025 Bonds.

In addition, the Developer will execute and deliver to the District a Collateral Assignment and Assumption of Development Rights (the "Collateral Assignment"), 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. It should be noted that the Developer has previously granted similar rights ("Prior Collateral Assignments") in connection with the issuance of certain of the District's Prior Bonds, and such rights under such Prior Collateral Assignments may be superior to and take priority over the rights granted under the Collateral Assignment. In addition, the Builders or any other mortgagees may have certain development rights and other rights assigned to them under the terms of the Builder Contracts or any mortgages relating to the Development, which may be superior to such rights that might otherwise be assigned to the District under the terms of the Collateral Assignment. Notwithstanding such Collateral Assignment, in the event the

District forecloses on the lands subject to the Series 2025 Assessments as a result of the Developer's or subsequent landowner's failure to pay such assessments, there is a risk that the District will not have all permits and entitlements necessary to complete the Development.

Finally, the Developer will also enter into a True-Up Agreement in connection with its obligations to pay true-up payments in the event that debt levels remaining on unplatted lands in Assessment Area One subject to the Series 2025 Assessments increase above the maximum debt levels set forth in the Assessment Methodology. See "APPENDIX E: ASSESSMENT METHODOLOGY" attached hereto for additional information regarding the "true-up mechanism."

Such obligations of the Developer are unsecured obligations, and the Developer is a special-purpose entity whose primary asset is the lands it owns in the District. See "BONDOWNERS' RISKS – Insufficient Resources or Other Factors Causing Failure to Complete Development" and "THE DEVELOPER" herein for more information regarding the Developer.

THE DEVELOPER

Main Street Ranchlands, LLLP, a Florida limited liability limited partnership ("Main Street Ranchlands" or the "Developer"), is the landowner and developer for Unit No. 12. Main Street Ranchlands was formed on May 14, 2014, and is a single-purpose entity whose primary asset is the lands and improvements it owns in the District. Thomas Ranch Villages GP, LLC (the "General Partner"), a Delaware limited liability company, holds a 0.01% interest in Main Street Ranchlands and serves as the general partner of Main Street Ranchlands. Wellen Park LLLP, a Florida limited liability limited partnership, holds a 99.99% interest in Main Street Ranchlands and is the sole limited partner of Main Street Ranchlands. Wellen Park LLLP and Main Street Ranchlands are sometimes singularly or collectively referred to herein as the "Developer" of Wellen Park.

Wellen Park LLLP owns 100% of the General Partner. Calben (Florida) Corporation, a Florida corporation, owns 97.5% of Wellen Park, LLLP with minority interests held by Thomas Ranch Land Partners GP, LLC, a Delaware limited liability company (1%), and Thomas Ranch Limited Partnership, an Ontario Canada limited partnership (1.5%). Calben (Florida) Corporation, a Florida corporation, is a 100% subsidiary of Calben (US) Corporation, a Delaware corporation which, in turn, is a subsidiary of Mattamy Group Corporation, a Canadian corporation, which does business under the fictitious name of Mattamy Homes ("Mattamy").

Mattamy is a privately held corporation and one of the largest privately-owned homebuilders in North America. Originally established in 1978 in Ontario, Canada, by Peter Gilgan, Mattamy is now Canada's largest new home construction and development firm, with homes built in communities that stretch across the Greater Toronto Area, as well as in Ottawa, Calgary, and Edmonton. With operations across Canada and the United States, Mattamy has sold over 100,000 homes in hundreds of communities and is a leading homebuilding brand in North America. Mattamy is currently represented in eleven US metropolitan areas – Raleigh, Charlotte, Phoenix, Tucson, Jacksonville, Orlando, Naples, Tampa, Sarasota, Southeast Florida and Dallas.

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

Mattamy has appointed an Executive Committee ("EC") to provide oversight and approve major decisions related to the Development. The members of the EC are Keith Bass and Larry Nicholson. Day-to-day operational management is provided by Richard Severance. Biographies of each are set forth below:

Keith Bass has been Chief Executive Officer of Mattamy Homes U.S. since September of 2020 as well as serving on the EC. Previously, Mr. Bass was President and Managing Partner at Mill Creek Capital LLC. Prior to this role, Mr. Bass served as President and Chief Executive Officer of WCI Communities, Inc., a lifestyle community developer and luxury homebuilder in Florida, from December 2012 until February 2017 and as a member of its board of directors from March 2012 until February 2017. From 2011 to November 2012, Mr. Bass was President of Pinnacle Land Advisors. From 2003 to 2011, Mr. Bass was an executive with The Ryland Group, and, from 2008 to 2011, served as Senior Vice President of The Ryland Group and President of the South U.S. Region. From 2003 to 2008, Mr. Bass held various titles at The Ryland Group including SE U.S. Region President, Orlando Division President and Vice President, Land Resources—SE U.S. Region. Prior to Ryland, Mr. Bass was President of the Florida Region of Taylor Woodrow from 1997 to 2003. He received his Bachelor's degree in Business Administration from North Carolina Wesleyan College.

Larry T. Nicholson serves on the EC, as well as the Board of Directors for Mattamy Asset Management. Mr. Nicholson was previously President and CEO, and a member of the Board of Directors of CalAtlantic Group, Inc. from 2015 to 2018. Nicholson was appointed as CalAtlantic's CEO/President after The Ryland Group and Standard Pacific Corp. merged to form CalAtlantic Group, Inc. From 1996 to 2015, he held a number of executive positions with The Ryland Group, including President and CEO, Chief Operating Officer, President Southeast Region, President Orlando Division and VP Operations South Region. Before joining Ryland, Mr. Nicholson served as the Vice President of Construction for Transeastern Properties in Coral Springs, Florida, and Vice President of Berman Development Corporation in Philadelphia, Pennsylvania. He began his career in the homebuilding industry in 1983 with Fairfield Communities as a Construction Manager. A native of Cleveland Heights, Ohio, he earned a bachelor's degree from Ohio University in 1979.

Richard Severance serves as President of Wellen Park. Prior experience includes his role as the President of Babcock Ranch which has been hailed as the first solar city in the US. He was CEO of the Seaside Community Development Company in Seaside, Florida where, under his leadership, the development was awarded TIME Magazine's Development of the Decade and won ULI's highest honor the Award of Excellence. He served as a Senior Vice President of Development Strategy and Operations for The St. Joe Company and, for over 8 years, owned and was the CEO of the international consulting firm, New Vector Limited, where his clients included international real estate development companies, national lodging brands, large REITs and financial institutions. He started his real estate career as Consulting Senior Manager with Ernst & Young. He earned a bachelor's degree in Business from Florida State University.

Neither the Developer nor any of the other entities or individuals listed above are guaranteeing payment of the Series 2025 Bonds or the Series 2025 Assessments. None of the entities listed herein, other than the Developer, has entered into any agreements in connection with the issuance of the Series 2025 Bonds.

TAX MATTERS

Opinion of Bond Counsel

In the opinion of Bond Counsel, the form of which is attached hereto as APPENDIX C, the interest on the Series 2025 Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax under

existing statutes, regulations, rulings and court decisions; provided, however, with respect to certain corporations, interest on the Series 2025 Bonds is taken into account in determining the annual adjusted financial statement income for the purpose of computing the alternative minimum tax imposed on such corporations. Failure by the District to comply subsequent to the issuance of the Series 2025 Bonds with certain requirements of the Internal Revenue Code of 1986, as amended (as previously defined, the "Code"), including but not limited to requirements regarding the use, expenditure and investment of Series 2025 Bond proceeds and the timely payment of certain investment earnings to the Treasury of the United States, may cause interest on the Series 2025 Bonds to become includable in gross income for federal income tax purposes retroactive to their date of issuance. The District has covenanted to comply with all provisions of the Code necessary to, among other things, maintain the exclusion from gross income of interest on the Series 2025 Bonds for purposes of federal income taxation. In rendering its opinion, Bond Counsel has assumed continuing compliance with such covenants.

Internal Revenue Code of 1986

The Code contains a number of provisions that apply to the Series 2025 Bonds, including, among other things, restrictions relating to the use or investment of the proceeds of the Series 2025 Bonds and the payment of certain arbitrage earnings in excess of the "yield" on the Series 2025 Bonds to the Treasury of the United States. Noncompliance with such provisions may result in interest on the Series 2025 Bonds being included in gross income for federal income tax purposes retroactive to their date of issuance.

Collateral Tax Consequences

Except as described above, Bond Counsel will express no opinion regarding the federal income tax consequences resulting from the ownership of, receipt or accrual of interest on, or disposition of, the Series 2025 Bonds. Prospective purchasers of the Series 2025 Bonds should be aware that the ownership of the Series 2025 Bonds may result in other collateral federal tax consequences. For example, ownership of the Series 2025 Bonds may result in collateral tax consequences to various types of corporations relating to (1) denial of interest deduction to purchase or carry such Series 2025 Bonds, (2) the branch profits tax, and (3) the inclusion of interest on the Series 2025 Bonds in passive income for certain Subchapter S corporations. In addition, the interest on the Series 2025 Bonds may be included in gross income by recipients of certain Social Security and Railroad Retirement benefits.

PURCHASE, OWNERSHIP, SALE OR DISPOSITION OF THE SERIES 2025 BONDS AND THE RECEIPT OR ACCRUAL OF THE INTEREST THEREON MAY HAVE ADVERSE FEDERAL TAX CONSEQUENCES FOR CERTAIN INDIVIDUAL AND CORPORATE BONDHOLDERS, INCLUDING, BUT NOT LIMITED TO, THE CONSEQUENCES REFERRED TO ABOVE. PROSPECTIVE SERIES 2025 BONDHOLDERS SHOULD CONSULT WITH THEIR TAX ADVISORS FOR INFORMATION IN THAT REGARD.

Florida Taxes

In the opinion of Bond Counsel, the Series 2025 Bonds and interest thereon are exempt from taxation under the laws of the State of Florida, except as to estate taxes and taxes imposed by Chapter 220, Florida Statutes, on interest, income or profits on debt obligations owned by corporations, as defined in said Chapter 220.

Other Tax Matters

Interest on the Series 2025 Bonds may be subject to state or local income taxation under applicable state or local laws in other jurisdictions. Purchasers of the Series 2025 Bonds should consult their tax

advisors as to the income tax status of interest on the Series 2025 Bonds in their particular state or local jurisdictions.

The Inflation Reduction Act, H.R. 5376 (the "IRA"), was passed by both houses of the U.S. Congress and was signed by the President on August 16, 2022. As enacted, the IRA includes a 15 percent alternative minimum tax to be imposed on the "adjusted financial statement income", as defined in the IRA, of certain corporations. Interest on the Series 2025 Bonds will be included in the "adjusted financial statement income" of such corporations for purposes of computing the corporate alternative minimum tax. Prospective purchasers that could be subject to this minimum tax should consult with their own tax advisors regarding the potential tax consequences of owning the Series 2025 Bonds.

During recent years, legislative proposals have been introduced in Congress, and in some cases enacted, that altered certain federal tax consequences resulting from the ownership of obligations that are similar to the Series 2025 Bonds. In some cases these proposals have contained provisions that altered these consequences on a retroactive basis. Such alterations of federal tax consequences may have affected the market value of obligations similar to the Series 2025 Bonds. From time to time, legislative proposals are pending which could have an effect on both the federal tax consequences resulting from ownership of the Series 2025 Bonds and their market value. No assurance can be given that additional legislative proposals will not be introduced or enacted that would or might apply to, or have an adverse effect upon, the Series 2025 Bonds.

On February 23, 2016, the Internal Revenue Service issued a notice of proposed rulemaking (the "Proposed Regulations") and notice of public hearing containing proposed regulations that provided guidance regarding the definition of political subdivision for purposes of the rules for tax-exempt bonds, including determinations of entities that are valid issuers of tax-exempt bonds. On October 4, 2017, the Treasury Department ("Treasury") announced that it would withdraw the proposed regulations, stating that, "while Treasury and the IRS continue to study the legal issues relating to political subdivisions, Treasury and the IRS currently believe that these proposed regulations should be withdrawn in their entirety, and plan to publish a withdrawal of the proposed regulations shortly in the Federal Register. Treasury and the IRS may propose more targeted guidance in the future after further study of the relevant legal issues." The Proposed Regulations were officially withdrawn on October 20, 2017. See also "BONDOWNERS' RISKS – IRS Examination and Audit Risk" herein.

Original Issue Discount

Certain of the Series 2025 Bonds (the "Discount Bonds") may be offered and sold to the public at an original issue discount, which is the excess of the principal amount of the Discount Bonds over the initial offering price to the public, excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers, at which price a substantial amount of the Discount Bonds of the same maturity was sold. Original issue discount represents interest which is excluded from gross income for federal income tax purposes to the same extent as interest on the Discount Bonds. Original issue discount will accrue over the term of a Discount Bond at a constant interest rate compounded semi-annually. An initial purchaser who acquires a Discount Bond at the initial offering price thereof to the public will be treated as receiving an amount of interest excludable from gross income for federal income tax purposes equal to the original issue discount accruing during the period such purchaser holds such Discount Bond and will increase its adjusted basis in such Discount Bond by the amount of such accruing discount for purposes of determining taxable gain or loss on the sale or other disposition of such Discount Bond. The federal income tax consequences of the purchase, ownership and prepayment, sale or other disposition of Discount Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those above. Owners of Discount Bonds should consult their own tax advisors with respect to the precise determination for federal income tax purposes of interest

accrued upon sale, prepayment or other disposition of such Discount Bonds and with respect to the state and local tax consequences of owning and disposing of such Discount Bonds.

Bond Premium

Certain of the Series 2025 Bonds (the "Premium Bonds") may be offered and sold to the public at a price in excess of the principal amount of such Premium Bond, which excess constitutes to an initial purchaser amortizable bond premium which is not deductible from gross income for federal income tax purposes. The amount of amortizable bond premium for a taxable year is determined actuarially on a constant interest rate basis over the term of the Premium Bonds which term ends on the earlier of the maturity or call date for each Premium Bond which minimizes the yield on said Premium Bonds to the purchaser. For purposes of determining gain or loss on the sale or other disposition of a Premium Bond, an initial purchaser who acquires such obligation in the initial offering to the public at the initial offering price is required to decrease such purchaser's adjusted basis in such Premium Bond annually by the amount of amortizable bond premium for the taxable year. The amortization of bond premium may be taken into account as a reduction in the amount of tax-exempt income for purposes of determining various other tax consequences of owning such Premium Bonds. The federal income tax consequences of the purchase, ownership and sale or other disposition of Premium Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those described above. Owners of the Premium Bonds are advised that they should consult with their own advisors with respect to the state and local tax consequences of owning such Premium Bonds.

AGREEMENT BY THE STATE

Under Article I, Section 10 of the Florida Constitution, the State pledges to the holders of certain bonds, including the Series 2025 Bonds, that it will not enact any legislation impairing the ability of the issuer of such bonds to fulfill the terms of any agreement made with the holders of such bonds, such as the Indenture, or which would in any way impair the rights or remedies of such holders as set forth in any contract entered into by the District in connection with the Series 2025 Bonds.

SUITABILITY FOR INVESTMENT

In accordance with applicable provisions of Florida law, the Series 2025 Bonds may initially be sold by the District only to "accredited investors" within the meaning of Chapter 517, Florida Statutes, as amended, and the rules promulgated thereunder. The limitation of the initial offering to "accredited investors" does not denote restrictions on transfers in any secondary market for the Series 2025 Bonds. Investment in the Series 2025 Bonds poses certain economic risks. No dealer, broker, salesperson or other person has been authorized by the District or the Underwriter to give any information or make any representations, other than those contained in this Limited Offering Memorandum.

ENFORCEABILITY OF REMEDIES

The remedies available to the Owners of the Series 2025 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 2025 Bonds may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2025 Bonds will be qualified as to the enforceability of the remedies provided in the various legal instruments, by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors enacted before or after such delivery.

LITIGATION

The District

There is no litigation of any nature now pending or, to the knowledge of the District threatened, seeking to restrain or enjoin the issuance, sale, execution or delivery of the Series 2025 Bonds, or in any way contesting or affecting (i) the validity of the Series 2025 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 2025 Bonds, (iii) the existence or powers of the District or (iv) the validity of the Series 2025 Assessment Proceedings.

The Developer

As a condition to the issuance of the Series 2025 Bonds, the Developer will represent 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 Assessment Area One Project or the development of lands in Unit No. 12 of the District as described herein, or materially and adversely affect the ability of the Developer to pay the Series 2025 Assessments imposed against the land within Assessment Area One owned by the Developer or to otherwise perform its various obligations described in this Limited Offering Memorandum.

Contraction/De-Annexation Related Litigation

The West Villagers for Responsible Government, Inc. ("WVRG"), a Florida non-profit corporation, spearheaded a resident-initiated contraction petition pursuant to Florida Statutes Section 171.052 that was filed with the City on October 28, 2020, to de-annex a significant portion of the District Lands located within the municipal boundaries of the City from the City's geographical boundaries. The District adopted a resolution opposing contraction/de-annexation of the District Lands.

Pursuant to the Florida Statutes contraction procedures, the City engaged a consultant to conduct a feasibility study, and the City Commission held a quasi-judicial hearing on April 29, 2021 (the "Hearing"). At the conclusion of the presentation of evidence and testimony, the City Commission deliberated and voted unanimously to reject the petition. WVRG and John Meisel, a current member of the District's Board, appealed the City Commission's order to the Circuit Court of the Twelfth Judicial Circuit in and for Sarasota County, Florida. On November 15, 2021, the Circuit Court, sitting in its appellate capacity, quashed the City's Commission's vote to reject the petition. The City appealed to the Second District Court of Appeals. On October 7, 2022, the District Court of Appeals denied the City's appeal, thereby rendering the Circuit Court's quash final upon the expiration of the time for rehearing. On October 27, 2022, the City Commission resumed deliberations at a duly noticed public meeting. The City Commission declined to reopen the evidence at such meeting, and the City Commission again deliberated on this matter, considering only the competent substantial evidence presented prior to the closure of the Hearing. After deliberation, the City Commission voted unanimously to reject the petition, with an order entered on November 2, 2022. On December 2, 2022, WVRG filed a petition for Writ of Certiorari to quash the November 2, 2022, quasi-judicial Order of the City Commission denying WVRG's petition for contraction. On October 9, 2023, the Circuit Court issued an order denying WVRG's petition for Writ of Certiorari. WVRG has since appealed to the Second District Court of Appeals, which entered an order per curiam affirming the Circuit Court ruling. Plaintiffs have requested a written opinion from the Second District Court of Appeals, which has not been issued to date. At this time, the ultimate resolution of such litigation is unknown.

In the unlikely event the District Lands are contracted/de-annexed from the City, the Development could be adversely impacted in a number of potential ways. First, existing development agreements

involving the District or the Developer and the City would likely need to be re-negotiated and entered into with the County, including, without limitation, agreements providing for the provision of public services to District residents on a going forward basis and agreements providing for the ownership of public infrastructure facilities already conveyed to the City. Second, the Developer, the District Lands and the Development may be adversely impacted to the extent new permits are required to be obtained from the County that were already obtained from the City. Lastly, the District may need to amend its enabling legislation. It is anticipated that any costs incurred by the District as a result of the contraction/de-annexation would be passed through to District residents through increased Unit No. 1 operations and maintenance assessments.

Litigation Related to Urban Area Calculation

The Act requires the District to comply with Chapter 189, Florida Statutes, including Section 189.041, Florida Statutes, which provides the process for the gradual transition of the District's Board seats from one-acre one-vote landowner elections to qualified elector general elections. Section 189.041, Florida Statutes, specifically requires the District to prepare urbanization maps identifying the percentage of developed, inhabited residential property within the District ("Urban Area") in order to determine how many Board seats should be transitioned to a general election. The District Engineer prepared the 2023 Urban Area map and presented its findings to the Board at the June 27, 2023 Board meeting, identifying that the District's Urban Area did not warrant an additional seat to transition to a general election at this time.

In July 2023, a landowner contested the District's Urban Area calculation and, in accordance with Section 189.041, Florida Statutes, the District solicited the County Engineer to prepare its own Urban Area calculation and map. The County Urban Area calculation and map was substantially the same as the District's 2023 Urban Area map. At its September 14, 2023 meeting, the District Board reviewed the County-prepared calculation and map, and voted 4-1 to i) approve the 2023 Urban Area map prepared by the District Engineer and ii) direct staff to pursue a legislative amendment to the Act to utilize the non-subjective Board turnover metrics that other large stewardship and improvement districts throughout the state customarily utilize, in order to avoid future debate relative to the Board turnover requirements of the Act.

Pursuant to Section 189.041, Florida Statutes, any District landowner or qualified elector may contest the accuracy of the 2023 Urban Area map by petition to the Circuit Court within 30 days after such adoption. On October 12, 2023, David Fernstrum filed a petition for Declaratory Relief in the Twelfth Judicial Circuit in and for Sarasota County, Florida, pursuant to Section 189.041, Florida Statutes, requesting that the Circuit Court judicially determine the District's Urban Area map for 2023. The District plans to vigorously defend its calculations relative to the adoption of the 2023 Urban Area map, and resolution of this matter is not anticipated to have any effect on the issuance of the Series 2025 Bonds. However, at this time, the ultimate resolution of such litigation is unknown. It is anticipated that any costs incurred by the District as a result of any litigation would be passed through to District residents through increased District Operation and Maintenance Assessments.

CONTINGENT FEES

The District has retained Bond Counsel, District Counsel, the Consulting Engineer, the District Manager/Methodology Consultant, the Underwriter (who has retained Underwriter's Counsel) and the Trustee (who has retained Trustee's counsel), with respect to the authorization, sale, execution and delivery of the Series 2025 Bonds. Except for the payment of certain fees to District Counsel, the Consulting Engineer and the District Manager, the payment of fees of the other professionals is each contingent upon the issuance of the Series 2025 Bonds.

NO RATING

No application for a rating for the Series 2025 Bonds has been made to any rating agency, nor is there any reason to believe that an investment grade rating for the Series 2025 Bonds would have been obtained if application had been made.

EXPERTS

The Engineer's Report included in APPENDIX A to this Limited Offering Memorandum has been prepared by Dewberry Engineers Inc., Tampa, Florida, the Consulting Engineer. APPENDIX A should be read in its entirety for complete information with respect to the subjects discussed therein. Special District Services, Inc., as Methodology Consultant, has prepared the Assessment Methodology set forth as APPENDIX E hereto. APPENDIX E should be read in its entirety for complete information with respect to the subjects discussed therein. As a condition to closing on the Series 2025 Bonds, the Consulting Engineer and the Methodology Consultant will consent to the inclusion of their reports in this Limited Offering Memorandum.

FINANCIAL INFORMATION

This District will covenant in the Disclosure Agreement (as defined herein), the proposed form of which is set forth in APPENDIX D hereto, to provide its annual audited financial statements to certain information repositories as described in APPENDIX D, commencing with the audit for the District fiscal year ended September 30, 2024. Attached hereto as APPENDIX F is a copy of the District's audited financial statements for the District's fiscal years ended September 30, 2022 and 2023, as well as the District's unaudited financial report as of December 31, 2024. Two years of audited financial statements have been made available as required by Florida Administrative Rule 69W-400.003(h) due to the District's previous default on the payment of principal and interest on certain of its Prior Bonds. See "THE DISTRICT – Outstanding Bond Indebtedness and Previous and Existing Bond Defaults" for more information regarding such defaults. Such financial statements, including the auditor's report included within the audited financial statements, have been included in this Limited Offering Memorandum as public documents and consent from the auditor was not requested. Further, the auditors have not performed any services related to, and therefore are not associated with, the preparation of this Limited Offering Memorandum. The Series 2025 Bonds are not general obligation bonds of the District and are payable solely from the Series 2025 Pledged Revenues and Series 2025 Pledged Funds.

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

DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS

Section 517.051, Florida Statutes, and the regulations promulgated thereunder requires that the District make a full and fair disclosure of any bonds or other debt obligations that it has issued or guaranteed and that are or have been in default as to principal or interest at any time after December 31, 1975 (including bonds or other debt obligations for which it has served only as a conduit issuer such as industrial development or private activity bonds issued on behalf of private business).

The District previously defaulted as to principal and interest on certain of its Prior Bonds, which remain in default. See "THE DISTRICT – Outstanding Bond Indebtedness and Previous and Existing Bond Defaults" herein for more information.

CONTINUING DISCLOSURE

The District and the Developer will enter into the Continuing Disclosure Agreement (the "Disclosure Agreement") in the proposed form of APPENDIX D, for the benefit of the Series 2025 Bondholders (including owners of beneficial interests in such Series 2025 Bonds), to provide certain financial information and operating data relating to the District and the Development by certain dates prescribed in the Disclosure Agreement (the "Reports") with the MSRB through the MSRB's EMMA system. The specific nature of the information to be contained in the Reports is set forth in "APPENDIX D: PROPOSED FORM OF CONTINUING DISCLOSURE AGREEMENT." Under certain circumstances, the failure of the District or the Developer to comply with their respective obligations under the Disclosure Agreement constitutes an event of default thereunder. Such a default will not constitute an event of default under the Indenture, but such event of default under the Disclosure Agreement would allow the Series 2025 Bondholders (including owners of beneficial interests in such Series 2025 Bonds) to bring an action for specific performance.

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

The Developer has previously entered into continuing disclosure undertakings pursuant to the Rule with respect to certain of the District's Prior Bonds. A review of filings made pursuant to such prior undertakings indicates that certain filings required to be made by the Developer were not timely filed and that notice of such late filings was not always timely provided. The Developer anticipates satisfying all future disclosure obligations required pursuant to the Disclosure Agreement.

UNDERWRITING

FMSbonds, Inc. (the "Underwriter") has agreed, pursuant to a contract with the District, subject to certain conditions, to purchase from the District at a purchase price of \$ _____ (representing the par amount of the Series 2025 Bonds [plus/less original issue premium/discount of \$ _____ and] less Underwriter's discount of \$ _____). The Underwriter's obligations are subject to certain conditions precedent and the Underwriter will be obligated to purchase all of the Series 2025 Bonds if any are purchased.

The Underwriter intends to offer the Series 2025 Bonds to accredited investors at the offering prices set forth on the cover page of this Limited Offering Memorandum, which may subsequently change without prior notice. The Series 2025 Bonds may be offered and sold to certain dealers, banks and others at prices lower than the initial offering prices, and such initial offering prices may be changed from time to time by the Underwriter.

VALIDATION

Bonds issued pursuant to the terms of the Master Indenture have been validated by a judgment of the Circuit Court of the Twelfth Judicial Circuit Court of Florida in and for Sarasota County, Florida, rendered on March 3, 2025. It shall be a condition to the issuance of the Series 2025 Bonds that the period of time during which an appeal can be taken from such judgment shall have expired without an appeal having been taken.

LEGAL MATTERS

Certain legal matters related to the authorization, sale and delivery of the Series 2025 Bonds are subject to the approval of Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Bond Counsel. Certain legal matters will be passed upon for the District by its counsel Kutak Rock LLP, Tallahassee, Florida, for the Developer by its counsel, Williams, Parker, Harrison, Dietz & Getzen, PLLC, Sarasota, Florida, and for the Underwriter by its counsel, GrayRobinson, P.A., Tampa, Florida.

The legal opinions of Bond Counsel to be delivered concurrently with the delivery of the Series 2025 Bonds are based on existing law, which is subject to change. Such opinions are further based on factual representations made to Bond Counsel as of the date of such opinions. Bond Counsel assumes no duty to update or supplement its opinions to reflect any facts or circumstances that may thereafter come to Bond Counsel's attention, or to reflect any changes in law that may thereafter occur or become effective. Moreover, Bond Counsel's opinions are not a guarantee of a particular result, and are not binding on the Internal Revenue Service or the courts; rather, such opinions represent Bond Counsel's professional judgment based on its review of existing law, and in reliance on the representations and covenants that it deems relevant to such opinion.

MISCELLANEOUS

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

The references herein to the Series 2025 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 2025 Bonds and may not be reproduced or used, as a whole or in part, for any other purpose. This Limited Offering Memorandum is not to be construed as a contract with the purchaser or the Beneficial Owners of any of the Series 2025 Bonds.

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AUTHORIZATION AND APPROVAL

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

**WEST VILLAGES IMPROVEMENT
DISTRICT**

By: _____
Chairperson, Board of Supervisors

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APPENDIX A
ENGINEER'S REPORT

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REFERENCE NO. 50185053

.....

WEST VILLAGES IMPROVEMENT DISTRICT

Unit of Development No. 12
Master Engineer's Report

JANUARY 9, 2025



SUBMITTED BY

Dewberry Engineers Inc.
2201 Cantu Court
Suite 107
Sarasota, Florida
Phone: 813.327.7044
Contact: Giacomo Licari

SUBMITTED TO

West Villages Improvement District
19503 S. West Villages Parkway Suite #A3
Venice, Florida 34293
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Master Engineer’s Report

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Aerial Location Map	Exhibit A
Unit 12 Sketch & Legal Description	Exhibit B

1. GENERAL

The West Villages Improvement District (“WVID”) was created by and operates under Chapter 2004-456, Laws of Florida, as amended (the “Act”) and operates pursuant to the Act and applicable provisions of Chapter 298, Florida Statutes, and other Florida law. WVID was created to construct, operate, and maintain public works and utilities including water, sewer, drainage, irrigation, water management, parks, recreational facilities, roadway, or related activities, as more particularly described in the Act.

2. PURPOSE AND SCOPE

The purpose of this Master Engineer’s Report (“Report”) is to present the nature and extent of the improvements that may be constructed or acquired by WVID for and on behalf of the Unit of Development No. 12 (“Unit No. 12” or “Project”). These improvements will thereafter be owned, operated, and/or maintained by either WVID or another legally empowered governmental entity.

The text of this Report generally describes the existing land within Unit No. 12 and the proposed improvements and recommendations. This Report is not intended to be used for exact representation or for construction purposes since detailed construction documents for all of the proposed improvements have not yet been finalized.

3. LANDS IN UNIT OF DEVELOPMENT NO. 12

An Aerial Location Map showing the location of Unit No. 12 is included as Exhibit A. The legal description(s) and sketch(es) are included as Exhibit B and reflect the lands included in Unit No. 12. These lands total approximately 320.24 acres.

4. EXISTING CONDITIONS

4.1 Topography

The area within Unit No. 12 is relatively flat with site elevations ranging from approximately nine (9) feet to fifteen (15) feet. The land within Unit No. 12 is primarily undeveloped pasture and rangelands, upland pine flatwood, and wetlands.

4.2 Soil and Vegetation

Based on the 1991 Soil Survey of Sarasota County, Florida, prepared by the United States Department of Agriculture (USDA) Soil Conservation Service (SCS), the predominant surficial soil types within Unit No. 12 are identified as SCS Soil No. 10, EauGallie and Myakka Fine Sands, SCS Soil No. 22, Holopaw fine sand, SCS Soil No. 31, Pineda Fine Sand, and Pople Fine Sand. SCS Soil No. 10 is a nearly level, poorly drained soil that can be made up entirely of EauGallie and similar soils, entirely Myakka and similar soils, or a combination of EauGallie, Myakka and other soils. Typically, the EauGallie soil has a surface layer of black fine sand with a subsurface layer of gray fine sand to a depth of about 22 inches. The surface layer of the Myakka soil is typically dark grayish brown fine sand about 6 inches thick while the subsurface layer is light gray fine sand about 18 inches thick. Pineda Fine Sand is a nearly level, poorly drained soil. Typically, the surface and subsurface layers are grey fine sands totaling approximately 22 inches thick. The subsoil consists of an upper layer of 14 inches of brown fine sand and a lower layer of 12 inches of mottled, light brownish gray fine sandy loam. Pople Fine Sand is nearly level, poorly drained soil on low hammocks and in poorly defined drainageways and broad sloughs. Typically, the surface layer is very dark grayish brown fine sand approximately four (4) inches thick. The subsurface layer is light brownish gray fine sand approximately three (3) inches thick. The subsoil is brown and brownish yellow fine sand in the upper 21-inches and gray fine sandy loam in the lower 28-inches.

The property within Unit No. 12 currently consists of various vegetative communities comprised of both upland and wetland habitats. Several of the vegetation communities have been modified as a result of onsite agricultural activities including ditching and fire suppression. Areas that were historically extensive open forests or wiregrass prairies have since become heavily forested or have been cleared for cattle grazing and commercial nursery. Extensive ditching has also altered the hydrology of several of the wetland systems onsite, particularly where the ditches bisect wetlands or are adjacent to wetlands.

4.3 Land Use and Zoning

Unit No. 12 is located within the City of North Port, Florida (“City”). The land within the boundary of Unit No. 12 is currently being designed and prepared for development review and approval with the City. It is expected that the City will approve uses compatible with the adopted Comprehensive Land Use Plan (“CLUP”).

5. INFRASTRUCTURE PLANS

5.1 Public Infrastructure Improvements

WVID has formed Unit No. 12 to finance infrastructure design and construction to provide public infrastructure for Unit No. 12 and its ultimate property owners.

The improvements for Unit No. 12 will be consistent with the CLUP and implementing ordinances, studies, plans, and may include:

- Public roadways, including thoroughfares, arterial, collector, or local streets;
- Drainage and stormwater improvements;
- Water and sewer facilities;
- Irrigation facilities;
- Public roadway landscape, lighting, signage, and furnishings;
- Entry features; and
- Consulting and contingencies.

Access to the Project will be provided via River Road, US 41, West Villages Parkway, Preto Boulevard, Manasota Beach Road, and Playmore Road. Potable water and sanitary sewer services will be provided by the City.

5.2 Permitting

Required permits, approved and proposed, are summarized in Table 5.1. It is our opinion that there are no technical reasons existing at this time that would prohibit the permitting and construction of the planned infrastructure, subject to continued compliance with agency criteria and conditions of the already approved plans and permits.

Permits necessary to complete the Project have either been obtained as described below, or in our opinion, are obtainable from the permitting agencies, subject to reasonable, normal, and customary permit conditions.

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Table 5.1 Permitting Status

Permitting Status		
PERMIT	PERMIT NUMBERS	DATE APPROVED
WELLEN PARK BLVD EXTENSION PHASE 1		
SWFWMD ERP	898708 / 43032522.140	10/29/2024
CONP INF - Construction Permit	INF-24-128	12/11/2024
CONP SCP - Construction Permit	SCP-24-129	12/11/2024
FDEP Water Permit	0208589-282-DSGP	10/10/2024
WELLEN PARK BLVD EXTENSION PHASE 2		
SWFWMD ERP	903008	TBD
CONP INF - Construction Permit	INF-24-172	TBD
CONP SCP - Construction Permit	SCP-24-173	TBD
FDEP Water Permit	TBD	TBD
OAKBEND		
SWFWMD ERP	864613 / 43032522.114	06/26/2023
CONP INF - Construction Permit	INF-24-169	TBD
CONP SCP - Construction Permit	SCP-24-170	TBD
FDEP Water Permit	TBD	TBD
FDEP Wastewater Permit	TBD	TBD
EAST COMMON		
SWFWMD ERP	TBD	TBD
CONP INF - Construction Permit	TBD	TBD
CONP SCP - Construction Permit	TBD	TBD
FDEP Water Permit	TBD	TBD
FDEP Wastewater Permit	TBD	TBD
WEST LAKE		
SWFWMD ERP - Mass Grading	TBD	TBD
CONP INF - Construction Permit	TBD	TBD
CONP SCP - Construction Permit	TBD	TBD
SWFWMD ERP - Construction Plans	TBD	TBD
FDEP Water Permit	TBD	TBD
FDEP Wastewater Permit	TBD	TBD
FDEP Wastewater Permit	TBD	TBD

5.3 Estimated Costs of Improvements

Table 5.2 lists the components of the planned improvements for Unit No. 12, together with their estimated costs of design and construction. The table also includes an estimate of administrative, consulting, engineering, legal and other fees, and contingencies associated with the improvements.

Table 5.2 Estimated Costs of Improvements

Estimated Costs of Improvements (See Notes 3)	
IMPROVEMENTS	ESTIMATED COSTS
OFFSITE MASTER IMPROVEMENTS	
Collector and Arterial Roads (See Note 1)	\$21,700,000.00
Wastewater Treatment Plant (Pro Rata Share – See Notes 2)	\$4,100,000.00
Water Treatment Plant (Pro Rata Share – See Notes 2)	\$3,500,000.00
Parks/Government	\$500,000.00
Consultants and Administration (15%)	\$4,470,000.00
Subtotal	\$34,270,000.00
OAKBEND	
Earthwork	\$6,400,000.00
Drainage and Stormwater	\$1,000,000.00
Potable Water	\$905,000.00
Wastewater	\$1,500,000.00
Master Irrigation	\$250,000.00
Consultants and Administration (15%)	\$1,508,250.00
Subtotal	\$11,563,250.00
EAST COMMON	
Earthwork	\$4,000,000.00
Drainage and Stormwater	\$400,000.00
Potable Water	\$350,000.00
Wastewater	\$580,000.00
Master Irrigation	\$250,000.00
Consultants and Administration (15%)	\$837,000.00
Subtotal	\$6,417,000.00
WEST LAKE	
Earthwork	\$8,450,000.00
Drainage and Stormwater	\$1,000,000.00
Potable Water	\$1,100,000.00
Wastewater	\$1,300,000.00
Master Irrigation	\$500,000.00

Consultants and Administration (15%)	\$1,852,500.00
Subtotal	\$14,202,500.00
TOTAL	\$66,452,750.00

Note 1 – Roadway costs include roads, potable water, sanitary sewer, irrigation, drainage, landscaping, and street lighting.

Note 2 – Costs of the wastewater treatment plant and water treatment plant are Unit No. 12’s estimated pro rata share of the plant’s usage.

Note 3 – Estimates are based on 2024 Dollars.

6. MAINTENANCE RESPONSIBILITIES

6.1 Public Infrastructure Improvements

Maintenance and operational responsibilities of the Project will include the following:

1. Maintenance and operation of the potable water and sanitary sewer systems will be the responsibility of the City;
2. Maintenance and operation of the stormwater management system will be the responsibility of the WVID;
3. Maintenance and operation of the collector and arterial roadway, sidewalk, and landscaping improvements will be the responsibility of WVID, the City, or FDOT depending on the ownership of the road; and
4. Maintenance of parks or government projects will be the responsibility of the WVID or the City.

7. SUMMARY AND CONCLUSION

The improvements, as outlined, are necessary for the functional development of the Project, which is being designed in accordance with current governmental regulatory requirements. The Project will serve its intended function provided the construction is in substantial compliance with the design. Items of construction for the Project are based upon current development plans.

8. ENGINEER’S CERTIFICATION

It is our professional opinion that the infrastructure costs provided herein for the WVID improvements for the Project are reasonable to complete the construction of the infrastructure described herein and that these infrastructure improvements will benefit and add value to the WVID. These estimated costs are based upon prices currently being experienced for similar items of work in southwest Florida and expected inflation in the future. Actual costs may vary based on final engineering, planning, and approvals from regulatory agencies.

I hereby certify that the foregoing is a true and correct copy of the Master Engineer’s Report for the WVID.



Giacomo Licari, P.E.
 Florida Registration No. 72415



UNIT 12:

OAKBEND PHASE 1	= ±64.20 AC
OAKBEND PHASE 2	= ±21.03 AC
EAST COMMONS	= ±65.14 AC
WEST LAKE	= ±160.34 AC
WELLEN PARK BLVD.	= ±4.05 AC
PRETO BLVD.	= ±5.49 AC
TOTAL	= 320.24 AC

**WEST VILLAGES - UNIT 12
VILLAGE D**



EXHIBIT 'A'



EXHIBIT "B"

UNIT NO. 12 BOUNDARY

LEGAL DESCRIPTION (BY STANTEC)

A TRACT OF LAND OF LYING IN SECTIONS 31 & 32, TOWNSHIP 29 SOUTH, RANGE 20 EAST AND SECTION 5, TOWNSHIP 40 SOUTH, RANGE 20 EAST, SARASOTA COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGIN AT THE SOUTHWEST CORNER OF TRACT 7 OF WELLEN PARK DOWNTOWN PHASE 1 RECORDED IN PLAT BOOK 54, PAGE 331 OF THE PUBLIC RECORDS OF SARASOTA COUNTY, FLORIDA; THENCE S.85°51'13"E. ALONG THE SOUTH LINE OF SAID TRACT 7, A DISTANCE OF 98.11 FEET TO THE POINT OF CURVATURE OF A NON-TANGENT CURVE TO THE RIGHT, HAVING A RADIUS OF 105.00 FEET AND A CENTRAL ANGLE OF 54°25'40"; THENCE SOUTHERLY, LEAVING SAID SOUTH LINE, ALONG THE ARC OF SAID CURVE, A DISTANCE OF 99.74 FEET, SAID CURVE HAVING A CHORD BEARING AND DISTANCE OF S.01°55'38"W., 96.04 FEET, TO THE POINT OF CURVATURE OF A REVERSE CURVE TO THE LEFT HAVING A RADIUS OF 75.00 FEET AND A CENTRAL ANGLE OF 126°37'57"; THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 165.76 FEET, TO THE POINT OF TANGENCY OF SAID CURVE; THENCE N.82°30'31"E., A DISTANCE OF 9.35 FEET TO A POINT OF CURVATURE OF A CURVE TO THE RIGHT HAVING A RADIUS OF 155.00 FEET AND A CENTRAL ANGLE OF 36°07'45"; THENCE EASTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 97.74 FEET, TO THE POINT OF TANGENCY OF SAID CURVE; THENCE S.61°21'43"E., A DISTANCE OF 26.42 FEET TO A POINT OF CURVATURE OF A CURVE TO THE LEFT HAVING A RADIUS OF 195.00 FEET AND A CENTRAL ANGLE OF 17°35'16"; THENCE EASTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 59.86 FEET, TO THE POINT OF CURVATURE OF A REVERSE CURVE TO THE RIGHT HAVING A RADIUS OF 475.00 FEET AND A CENTRAL ANGLE OF 07°43'23"; THENCE EASTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 64.03 FEET, TO THE END OF SAID CURVE; THENCE N.18°46'24"E. ALONG A LINE NON-TANGENT TO SAID CURVE, A DISTANCE OF 39.50 FEET TO A POINT OF CURVATURE OF A CURVE TO THE LEFT HAVING A RADIUS OF 40.00 FEET AND A CENTRAL ANGLE OF 29°18'58"; THENCE NORTHERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 20.47 FEET, TO THE POINT OF TANGENCY OF SAID CURVE; THENCE N.10°32'34"W., A DISTANCE OF 78.34 FEET TO A POINT OF CURVATURE OF A CURVE TO THE RIGHT HAVING A RADIUS OF 25.00 FEET AND A CENTRAL ANGLE OF 12°54'24"; THENCE NORTHERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 5.63 FEET, TO THE POINT OF CURVATURE OF A REVERSE CURVE TO THE LEFT HAVING A RADIUS OF 377.81 FEET AND A CENTRAL ANGLE OF 24°16'38"; THENCE NORTHERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 160.08 FEET, TO THE POINT OF CURVATURE OF A REVERSE CURVE TO THE RIGHT HAVING A RADIUS OF 159.00 FEET AND A CENTRAL ANGLE OF 67°14'07"; THENCE NORTHERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 186.58 FEET, TO THE POINT OF TANGENCY OF SAID CURVE; THENCE N.45°19'20"E., A DISTANCE OF 136.98 FEET TO A POINT OF CURVATURE OF A CURVE TO THE RIGHT HAVING A RADIUS OF 86.00 FEET AND A CENTRAL ANGLE OF 91°44'50"; THENCE EASTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 137.71 FEET, TO THE POINT OF CURVATURE OF A REVERSE CURVE TO THE LEFT HAVING A RADIUS OF 1,117.00 FEET AND A CENTRAL ANGLE OF 18°43'04"; THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 364.91 FEET, TO THE POINT OF CURVATURE OF A COMPOUND CURVE TO THE LEFT HAVING A RADIUS OF 120.00 FEET AND A CENTRAL ANGLE OF 65°58'08"; THENCE EASTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 138.16 FEET, TO THE POINT OF TANGENCY OF SAID CURVE; THENCE N.52°22'59"E., A DISTANCE OF 50.14 FEET TO A POINT OF CURVATURE OF A CURVE TO THE LEFT HAVING A RADIUS OF 61.00 FEET AND A CENTRAL ANGLE OF 84°57'31"; THENCE NORTHERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 90.45 FEET, TO THE END OF SAID CURVE; THE FOLLOWING FOURTEEN (14) CALLS ARE ALONG THE BOUNDARY LINE OF SAID TRACT 7 OF WELLEN PARK DOWNTOWN PHASE 1: (1) THENCE S.35°52'06"E. ALONG A LINE NON-TANGENT TO SAID CURVE, A DISTANCE OF 109.04 FEET TO A POINT OF CURVATURE OF A CURVE TO THE LEFT HAVING A RADIUS OF 44.00 FEET AND A CENTRAL ANGLE OF 81°09'10"; (2) THENCE EASTERLY ALONG THE

ARC OF SAID CURVE, A DISTANCE OF 62.32 FEET, TO THE POINT OF TANGENCY OF SAID CURVE; (3) THENCE N.62°58'44"E., A DISTANCE OF 59.37 FEET TO A POINT OF CURVATURE OF A CURVE TO THE LEFT HAVING A RADIUS OF 44.00 FEET AND A CENTRAL ANGLE OF 77°51'48"; (4) THENCE NORTHEASTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 59.79 FEET, TO THE POINT OF TANGENCY OF SAID CURVE; (5) THENCE N.14°53'03"W., A DISTANCE OF 103.89 FEET TO A POINT OF CURVATURE OF A CURVE TO THE RIGHT HAVING A RADIUS OF 82.00 FEET AND A CENTRAL ANGLE OF 80°41'12"; (6) THENCE NORTHEASTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 115.48 FEET, TO THE POINT OF TANGENCY OF SAID CURVE; (7) THENCE N.65°48'08"E., A DISTANCE OF 294.24 FEET TO THE POINT OF CURVATURE OF A NON-TANGENT CURVE TO THE LEFT, HAVING A RADIUS OF 68.00 FEET AND A CENTRAL ANGLE OF 117°31'30"; (8) THENCE NORTHERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 139.48 FEET, SAID CURVE HAVING A CHORD BEARING AND DISTANCE OF N.07°03'19"E., 116.28 FEET, TO THE POINT OF CURVATURE OF A REVERSE CURVE TO THE RIGHT HAVING A RADIUS OF 97.00 FEET AND A CENTRAL ANGLE OF 53°18'51"; (9) THENCE NORTHWESTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 90.26 FEET, TO THE POINT OF CURVATURE OF A REVERSE CURVE TO THE LEFT HAVING A RADIUS OF 59.00 FEET AND A CENTRAL ANGLE OF 47°10'03"; (10) THENCE NORTHERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 48.57 FEET, TO THE POINT OF CURVATURE OF A REVERSE CURVE TO THE RIGHT HAVING A RADIUS OF 196.00 FEET AND A CENTRAL ANGLE OF 29°08'24"; (11) THENCE NORTHWESTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 99.68 FEET, TO THE POINT OF CURVATURE OF A REVERSE CURVE TO THE LEFT HAVING A RADIUS OF 154.00 FEET AND A CENTRAL ANGLE OF 37°34'21"; (12) THENCE NORTHWESTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 100.99 FEET, TO THE POINT OF CURVATURE OF A REVERSE CURVE TO THE RIGHT HAVING A RADIUS OF 96.00 FEET AND A CENTRAL ANGLE OF 90°04'15"; (13) THENCE NORTHERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 150.91 FEET, TO THE POINT OF CURVATURE OF A REVERSE CURVE TO THE LEFT HAVING A RADIUS OF 438.00 FEET AND A CENTRAL ANGLE OF 63°20'25"; (14) THENCE NORTHERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 484.21 FEET, TO THE END OF SAID CURVE; THENCE N.62°48'14"E. ALONG A LINE NON-TANGENT TO SAID CURVE, A DISTANCE OF 89.55 FEET TO THE POINT OF CURVATURE OF A NON-TANGENT CURVE TO THE RIGHT, HAVING A RADIUS OF 300.00 FEET AND A CENTRAL ANGLE OF 02°39'53"; THENCE NORTHWESTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 13.95 FEET, SAID CURVE HAVING A CHORD BEARING AND DISTANCE OF N.25°51'50"W., 13.95 FEET, TO THE POINT OF CURVATURE OF A COMPOUND CURVE TO THE RIGHT HAVING A RADIUS OF 600.00 FEET AND A CENTRAL ANGLE OF 02°35'48"; THENCE NORTHWESTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 27.19 FEET, TO THE END OF SAID CURVE; THENCE N.28°46'42"E. ALONG A LINE NON-TANGENT TO SAID CURVE, A DISTANCE OF 68.30 FEET; THENCE N.31°25'41"E., A DISTANCE OF 52.59 FEET; THENCE N.39°50'18"E., A DISTANCE OF 51.87 FEET; THENCE N.38°22'55"E., A DISTANCE OF 74.39 FEET; THENCE N.16°31'25"E., A DISTANCE OF 42.39 FEET; THENCE N.11°39'16"E., A DISTANCE OF 55.61 FEET; THENCE N.49°43'42"E., A DISTANCE OF 38.04 FEET; THENCE N.28°42'35"E., A DISTANCE OF 16.66 FEET; THENCE N.11°07'03"W., A DISTANCE OF 30.44 FEET; THENCE N.43°38'28"E., A DISTANCE OF 63.15 FEET; THENCE N.34°01'32"E., A DISTANCE OF 80.87 FEET; THENCE N.84°03'35"E., A DISTANCE OF 56.80 FEET; THENCE N.62°31'55"E., A DISTANCE OF 61.17 FEET; THENCE N.86°30'02"E., A DISTANCE OF 56.57 FEET; THENCE N.87°54'57"E., A DISTANCE OF 44.39 FEET; THENCE S.76°02'53"E., A DISTANCE OF 48.86 FEET; THENCE S.39°57'56"E., A DISTANCE OF 48.60 FEET; THENCE S.72°01'56"E., A DISTANCE OF 42.00 FEET; THENCE S.50°11'21"E., A DISTANCE OF 49.78 FEET; THENCE S.88°14'48"E., A DISTANCE OF 34.11 FEET; THENCE S.70°19'11"E., A DISTANCE OF 24.70 FEET; THENCE N.36°17'44"E., A DISTANCE OF 29.26 FEET; THENCE S.78°35'14"E., A DISTANCE OF 53.83 FEET; THENCE S.72°01'51"E., A DISTANCE OF 42.79 FEET; THENCE N.40°24'06"E., A DISTANCE OF 22.53 FEET; THENCE N.75°44'30"E., A DISTANCE OF 72.75 FEET; THENCE S.78°07'11"E., A DISTANCE OF 48.11 FEET; THENCE N.49°58'58"E., A DISTANCE OF 14.80 FEET; THENCE N.14°48'01"E., A DISTANCE OF 46.22 FEET; THENCE N.79°23'10"E., A DISTANCE OF 63.56 FEET; THENCE N.50°32'03"E., A DISTANCE OF 59.55 FEET; THENCE N.30°55'22"E., A DISTANCE OF 62.09 FEET; THENCE S.82°02'22"E., A DISTANCE OF 91.19 FEET; THENCE S.11°36'24"E., A DISTANCE OF 88.00 FEET; THENCE S.00°18'02"W., A DISTANCE OF 96.39 FEET; THENCE S.04°02'45"W., A DISTANCE OF 8.34 FEET; THENCE N.88°45'02"E., A DISTANCE OF 8.73 FEET; THENCE S.40°57'08"E., A DISTANCE OF 73.63 FEET; THENCE

S.24°26'17"W., A DISTANCE OF 62.94 FEET TO A POINT ON THE NORTHERLY LINE OF PARCEL 771 RECORDED IN OFFICIAL INSTRUMENT NUMBER 2009155882 OF SAID PUBLIC RECORDS, ALSO BEING THE POINT OF CURVATURE OF A NON-TANGENT CURVE TO THE LEFT, HAVING A RADIUS OF 390.00 FEET AND A CENTRAL ANGLE OF 00°24'02"; THE FOLLOWING THREE (3) CALLS ARE ALONG THE NORTHERLY LINE OF PARCEL 771 AND ITS EASTERLY EXTENSION: (1) THENCE EASTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 2.73 FEET, SAID CURVE HAVING A CHORD BEARING AND DISTANCE OF N.70°16'26"E., 2.73 FEET, TO THE POINT OF CURVATURE OF A REVERSE CURVE TO THE RIGHT HAVING A RADIUS OF 57.76 FEET AND A CENTRAL ANGLE OF 20°25'58"; (2) THENCE EASTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 20.60 FEET, TO THE POINT OF TANGENCY OF SAID CURVE; (3) THENCE S.89°29'37"E., A DISTANCE OF 105.16 FEET TO A POINT ON THE WEST RIGHT-OF-WAY LINE OF WEST VILLAGES PARKWAY (VARIABLE WIDTH RIGHT-OF-WAY), AS RECORDED IN OFFICIAL RECORDS INSTRUMENT NUMBER 2009155882 OF SAID PUBLIC RECORDS; THENCE S.00°30'25"W. ALONG SAID WEST RIGHT-OF-WAY LINE, A DISTANCE OF 1,340.70 FEET TO THE NORTHEAST CORNER OF MAIN STREET RANGLANDS PLAT NO. 3 RECORDED IN PLAT BOOK 56, PAGE 252 OF SAID PUBLIC RECORDS; THE FOLLOWING ELEVEN (11) CALLS ARE ALONG THE BOUNDARY OF SAID MAIN STREET RANGLANDS PLAT NO. 3: (1) THENCE N.89°55'18"W., A DISTANCE OF 521.43 FEET; (2) THENCE S.00°03'01"W., A DISTANCE OF 117.25 FEET; (3) THENCE S.42°56'28"W., A DISTANCE OF 147.30 FEET; (4) THENCE S.02°54'04"E., A DISTANCE OF 107.82 FEET TO THE POINT OF CURVATURE OF A NON-TANGENT CURVE TO THE RIGHT, HAVING A RADIUS OF 646.08 FEET AND A CENTRAL ANGLE OF 06°38'39"; (5) THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 74.92 FEET, SAID CURVE HAVING A CHORD BEARING AND DISTANCE OF S.33°36'20"E., 74.88 FEET, TO THE END OF SAID CURVE; (6) THENCE S.30°08'32"E. ALONG A LINE NON-TANGENT TO SAID CURVE, A DISTANCE OF 188.12 FEET TO THE POINT OF CURVATURE OF A NON-TANGENT CURVE TO THE LEFT, HAVING A RADIUS OF 556.31 FEET AND A CENTRAL ANGLE OF 07°48'59"; (7) THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 75.89 FEET, SAID CURVE HAVING A CHORD BEARING AND DISTANCE OF S.34°12'30"E., 75.83 FEET, TO THE POINT OF CURVATURE OF A NON-TANGENT CURVE TO THE LEFT, HAVING A RADIUS OF 535.13 FEET AND A CENTRAL ANGLE OF 11°57'38"; (8) THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 111.71 FEET, SAID CURVE HAVING A CHORD BEARING AND DISTANCE OF S.43°47'43"E., 111.51 FEET, TO THE POINT OF CURVATURE OF A NON-TANGENT CURVE TO THE LEFT, HAVING A RADIUS OF 613.28 FEET AND A CENTRAL ANGLE OF 07°26'55"; (9) THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 79.73 FEET, SAID CURVE HAVING A CHORD BEARING AND DISTANCE OF S.53°38'30"E., 79.67 FEET, TO THE POINT OF CURVATURE OF A NON-TANGENT CURVE TO THE LEFT, HAVING A RADIUS OF 566.40 FEET AND A CENTRAL ANGLE OF 12°44'12"; (10) THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 125.91 FEET, SAID CURVE HAVING A CHORD BEARING AND DISTANCE OF S.64°30'22"E., 125.65 FEET, TO THE POINT OF CURVATURE OF A NON-TANGENT CURVE TO THE LEFT, HAVING A RADIUS OF 546.49 FEET AND A CENTRAL ANGLE OF 17°31'34"; (11) THENCE EASTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 167.16 FEET, SAID CURVE HAVING A CHORD BEARING AND DISTANCE OF S.79°35'01"E., 166.51 FEET, TO A POINT ON THE WEST RIGHT-OF-WAY LINE OF WEST VILLAGES PARKWAY (VARIABLE WIDTH RIGHT-OF-WAY) AS RECORDED IN OFFICIAL RECORDS INSTRUMENT NUMBER 2010135760 OF SAID PUBLIC RECORDS; THE FOLLOWING SIX (6) CALLS ARE ALONG SAID WEST RIGHT-OF-WAY LINE: (1) THENCE S.00°30'25"W., A DISTANCE OF 35.66 FEET; (2) THENCE N.85°55'11"W., A DISTANCE OF 40.43 FEET; (3) HENCE S.04°20'24"W., A DISTANCE OF 21.35 FEET; (4) THENCE S.85°39'36"E., A DISTANCE OF 25.83 FEET TO A POINT OF CURVATURE OF A CURVE TO THE RIGHT HAVING A RADIUS OF 30.00 FEET AND A CENTRAL ANGLE OF 86°10'01"; (5) THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 45.12 FEET, TO THE POINT OF TANGENCY OF SAID CURVE; (6) THENCE S.00°30'25"W., A DISTANCE OF 66.39 FEET TO THE POINT OF CURVATURE OF A NON-TANGENT CURVE TO THE RIGHT, HAVING A RADIUS OF 804.94 FEET AND A CENTRAL ANGLE OF 20°52'58"; (7) THENCE SOUTHERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 293.38 FEET, SAID CURVE HAVING A CHORD BEARING AND DISTANCE OF S.11°00'03"W., 291.76 FEET, TO THE POINT OF CURVATURE OF A REVERSE CURVE TO THE LEFT HAVING A RADIUS OF 1,221.36 FEET AND A CENTRAL ANGLE OF 18°39'03"; (8) THENCE SOUTHERLY ALONG THE ARC OF SAID CURVE, A

DISTANCE OF 397.57 FEET, TO THE END OF SAID CURVE; (9) THENCE S.00°44'16"W. ALONG A LINE NON-TANGENT TO SAID CURVE, A DISTANCE OF 9.72 FEET; THE FOLLOWING TWO (2) CALLS ARE ALONG THE WEST RIGHT-OF-WAY LINE OF SAID WEST VILLAGES PARKWAY PER OFFICIAL RECORDS INSTRUMENT NUMBER 2019011093 OF SAID PUBLIC RECORDS: (1) THENCE S.14°31'49"W., A DISTANCE OF 54.36 FEET; (2) THENCE S.00°30'33"W., A DISTANCE OF 176.46 FEET TO THE POINT OF CURVATURE OF A CURVE TO THE RIGHT, HAVING A RADIUS OF 25.00 FEET AND A CENTRAL ANGLE OF 90°00'01"; THE FOLLOWING FOUR (4) CALLS ARE ALONG THE NORTH RIGHT-OF-WAY LINE OF PLAYMORE ROAD (VARIABLE WIDTH RIGHT-OF-WAY) PER SAID OFFICIAL RECORDS INSTRUMENT NUMBER 2019011093: (1) THENCE SOUTHWESTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 39.27 FEET, TO THE POINT OF TANGENCY OF SAID CURVE; (2) THENCE N.89°29'27"W., A DISTANCE OF 295.43 FEET TO THE POINT OF CURVATURE OF A NON-TANGENT CURVE TO THE LEFT, HAVING A RADIUS OF 759.00 FEET AND A CENTRAL ANGLE OF 41°12'44"; (3) THENCE WESTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 545.94 FEET, SAID CURVE HAVING A CHORD BEARING AND DISTANCE OF S.69°54'14"W., 534.25 FEET, TO THE POINT OF CURVATURE OF A REVERSE CURVE TO THE RIGHT HAVING A RADIUS OF 631.00 FEET AND A CENTRAL ANGLE OF 42°42'08"; (4) THENCE WESTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 470.28 FEET, TO THE POINT OF TANGENCY OF SAID CURVE; THE FOLLOWING THREE (3) CALLS ARE ALONG THE NORTH LINE OF SAID PLAYMORE ROAD PER OFFICIAL RECORDS INSTRUMENT NUMBER 2007188871 OF SAID PUBLIC RECORDS: (1) THENCE N.88°00'00"W., A DISTANCE OF 949.71 FEET TO A POINT OF CURVATURE OF A CURVE TO THE RIGHT HAVING A RADIUS OF 1,082.00 FEET AND A CENTRAL ANGLE OF 37°00'06"; (2) THENCE WESTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 698.76 FEET, TO THE POINT OF CURVATURE OF A REVERSE CURVE TO THE LEFT HAVING A RADIUS OF 1,210.00 FEET AND A CENTRAL ANGLE OF 23°17'32"; (3) THENCE NORTHWESTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 491.90 FEET, TO THE POINT OF TANGENCY OF SAID CURVE; THENCE CONTINUE WESTERLY ALONG SAID CURVE AND ALONG THE NORTH LINE OF SAID PLAYMORE ROAD PER OFFICIAL RECORDS INSTRUMENT NUMBER 2013134805 OF SAID PUBLIC RECORDS, HAVING A RADIUS OF 1,210.00 FEET AND A CENTRAL ANGLE OF 12°41'08", A DISTANCE OF 267.90 FEET, TO A POINT ON THE EAST BOUNDARY LINE OF ISLANDWALK AT WEST VILLAGES, PHASE 5 RECORDED IN PLAT BOOK 51, PAGE 190 OF SAID PUBLIC RECORDS, ALSO BEING THE POINT OF CURVATURE OF A NON-TANGENT CURVE TO THE RIGHT, HAVING A RADIUS OF 2,999.79 FEET AND A CENTRAL ANGLE OF 01°46'15"; THENCE NORTHERLY ALONG THE ARC OF SAID CURVE AND ALONG SAID EAST BOUNDARY LINE, A DISTANCE OF 92.71 FEET, SAID CURVE HAVING A CHORD BEARING AND DISTANCE OF N.17°10'20"E., 92.70 FEET, TO THE END OF SAID CURVE; THE FOLLOWING TWO (2) CALLS ARE ALONG THE NORTH BOUNDARY LINE OF SAID ISLANDWALK AT WEST VILLAGES, PHASE 5: (1) THENCE N.89°05'35"W., A DISTANCE OF 1,251.87 FEET; (2) THENCE S.89°54'47"W., A DISTANCE OF 259.05 FEET; THENCE N.00°14'53"E. ALONG THE EAST BOUNDARY LINE OF ISLANDWALK AT THE WEST VILLAGES, PHASE 1C RECORDED IN PLAT BOOK 47, PAGE 22 OF SAID PUBLIC RECORDS AND ISLANDWALK AT THE WEST VILLAGES, PHASE 1B RECORDED IN PLAT BOOK 46, PAGE 10 OF SAID PUBLIC RECORDS AND ISLANDWALK AT THE WEST VILLAGES, PHASE 1B RECORDED IN PLAT BOOK 45, PAGE 37 OF SAID PUBLIC RECORDS, A DISTANCE OF 3,303.16 FEET; THENCE N.90°00'00"E., A DISTANCE OF 116.11 FEET TO A POINT OF CURVATURE OF A CURVE TO THE LEFT HAVING A RADIUS OF 35.00 FEET AND A CENTRAL ANGLE OF 139°53'27"; THENCE NORTHERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 85.45 FEET, TO THE POINT OF TANGENCY OF SAID CURVE; THENCE N.49°53'27"W., A DISTANCE OF 19.50 FEET TO A POINT OF CURVATURE OF A CURVE TO THE RIGHT HAVING A RADIUS OF 25.00 FEET AND A CENTRAL ANGLE OF 77°28'57"; THENCE NORTHERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 33.81 FEET, TO THE POINT OF TANGENCY OF SAID CURVE; THENCE N.27°35'30"E., A DISTANCE OF 53.06 FEET; THENCE N.05°05'22"E., A DISTANCE OF 60.44 FEET TO A POINT OF CURVATURE OF A CURVE TO THE RIGHT HAVING A RADIUS OF 25.00 FEET AND A CENTRAL ANGLE OF 25°39'07"; THENCE NORTHERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 11.19 FEET, TO THE POINT OF TANGENCY OF SAID CURVE; THENCE N.30°44'29"E., A DISTANCE OF 87.96 FEET TO A POINT OF CURVATURE OF A CURVE TO THE RIGHT HAVING A RADIUS OF 25.00 FEET AND A CENTRAL ANGLE OF 59°09'26"; THENCE NORTHEASTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 25.81 FEET, TO THE POINT OF TANGENCY OF SAID CURVE; THENCE N.89°53'54"E., A DISTANCE OF 70.35 FEET; THENCE N.51°24'06"E., A DISTANCE

OF 139.73 FEET TO A POINT ON THE WESTERLY RIGHT-OF-WAY LINE OF PRETO BOULEVARD (VARIABLE WIDTH RIGHT-OF-WAY) PER OFFICIAL RECORDS INSTRUMENT NUMBER 2020005361 OF SAID PUBLIC RECORDS, ALSO BEING THE POINT OF CURVATURE OF A NON-TANGENT CURVE TO THE RIGHT, HAVING A RADIUS OF 630.00 FEET AND A CENTRAL ANGLE OF 05°43'51"; THE FOLLOWING SEVEN (7) CALLS ARE ALONG SAID WESTERLY RIGHT-OF-WAY LINE OF PRETO BOULEVARD: (1) THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 63.01 FEET, SAID CURVE HAVING A CHORD BEARING AND DISTANCE OF S.50°43'55"E., 62.99 FEET, TO THE POINT OF TANGENCY OF SAID CURVE; (2) THENCE S.47°52'00"E., A DISTANCE OF 684.51 FEET TO A POINT OF CURVATURE OF A CURVE TO THE RIGHT HAVING A RADIUS OF 630.00 FEET AND A CENTRAL ANGLE OF 20°21'07"; (3) THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 223.78 FEET, TO THE POINT OF CURVATURE OF A REVERSE CURVE TO THE LEFT HAVING A RADIUS OF 760.00 FEET AND A CENTRAL ANGLE OF 28°53'12"; (4) THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 383.17 FEET, TO THE POINT OF TANGENCY OF SAID CURVE; (5) THENCE S.56°24'04"E., A DISTANCE OF 787.81 FEET TO A POINT OF CURVATURE OF A CURVE TO THE RIGHT HAVING A RADIUS OF 470.00 FEET AND A CENTRAL ANGLE OF 60°32'51"; (6) THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 496.68 FEET, TO THE POINT OF TANGENCY OF SAID CURVE; (7) THENCE S.04°08'47"W., A DISTANCE OF 765.12 FEET; THENCE S.85°51'13"E., A DISTANCE OF 130.00 FEET TO THE POINT OF BEGINNING.

CONTAINING 13,949,733 SQUARE FEET OR 320.2418 ACRES, MORE OR LESS.

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APPENDIX B

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

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MASTER TRUST INDENTURE
BETWEEN
WEST VILLAGES IMPROVEMENT DISTRICT
AND
U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
AS TRUSTEE
Dated as of April 1, 2025

WEST VILLAGES IMPROVEMENT DISTRICT
CAPITAL IMPROVEMENT REVENUE BONDS
(UNIT OF DEVELOPMENT NO. 12)

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Indenture a valid and binding agreement and a valid and binding lien on the Trust Estate (hereinafter defined) have been done;

NOW, THEREFORE, THIS MASTER TRUST INDENTURE WITNESSETH:

GRANTING CLAUSES

That the District, in consideration of the premises and acceptance by the Trustee of the trusts hereby created and the purchase and acceptance of the Bonds by the Owners (hereinafter defined), and of the sum of ten dollars (\$10.00), lawful money of the United States of America, to it duly paid by the Trustee at or before the execution and delivery of this Master Indenture, and for other good and valuable consideration, the receipt of which is hereby acknowledged, in order to secure the payment of the principal of, premium, if any, and interest on the Bonds of a Series (hereinafter defined) issued hereunder according to their tenor and effect and to secure the performance and observance by the District of all of the covenants expressed or implied herein, in the Supplemental Indenture authorizing the issuance of such Series of Bonds and in the Bonds of such Series, does hereby assign and grant a security interest in the following (herein called the "Trust Estate") to the Trustee and its successors in trust, and assigns forever, for the securing of the performance of the obligations of the District herein set forth: (a) the Pledged Revenues (hereinafter defined) and Pledged Funds (hereinafter defined); and (b) any and all property of every kind or description which may from time to time hereafter be sold, transferred, conveyed, assigned, hypothecated, endorsed, deposited, pledged, granted or delivered to, or deposited with, the Trustee as security for any Series of Bonds issued pursuant to this Master Indenture by the District or anyone on its behalf or with its consent, or which pursuant to any of the provisions hereof or of the Supplemental Indenture securing such Series of Bonds may come into the possession or control of the Trustee or of a lawfully appointed receiver, as such additional security, and the Trustee is hereby authorized to receive any and all such property as and for security for the payment of such Series of Bonds and the interest and premium, if any, thereon, and to hold and apply all such property subject to the terms hereof, it being expressly understood and agreed that except as otherwise provided herein or in a Supplemental Indenture, the Trust Estate established and held hereunder for Bonds of a Series shall be held separate and in trust solely for the benefit of the Owners of the Bonds of such Series and for no other Series;

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

IN TRUST NEVERTHELESS, upon the terms and trusts herein set forth (a) for the equal and proportionate benefit and security of all present and future Owners of the Bonds of a Series, without preference of any Bond of such Series over

MASTER TRUST INDENTURE

THIS MASTER TRUST INDENTURE is dated as of April 1, 2025, between **WEST VILLAGES IMPROVEMENT DISTRICT**, a local unit of special-purpose government organized and existing under the laws of the State of Florida (the "District"), and **U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION**, as trustee (the "Trustee"), a national banking association and having the authority to exercise corporate trust powers, with its designated corporate trust office located at 500 West Cypress Creek Road, Suite 460, Fort Lauderdale, Florida 33309, Attention: Corporate Trust Department.

WHEREAS, the District is a local unit of special purpose government duly organized and existing under the provisions of Chapter 2004-456, Laws of Florida (the "Act"), as amended from time to time, and other applicable provisions of State law; and

WHEREAS, on December 12, 2024, the Board of Supervisors of the District duly adopted Resolution No. 2024-30 designating the real property described in Exhibit A hereto as a Unit of Development (as defined herein) pursuant to Section 11 of the Act, with said Unit of Development being called "Unit of Development No. 12" (hereinafter sometimes referred to as "Unit No. 12"), which designation was confirmed by Resolution 2025-05, duly adopted by the Board of Supervisors of the District on January 9, 2025; and

WHEREAS, the District has the power and authority under the Act to issue special assessment bonds and revenue bonds and to use the proceeds thereof to finance the cost of acquiring and constructing assessable improvements (as defined in the Act) and to levy and collect special assessments therefor as provided in Chapters 170 and 197, Florida Statutes, and to levy and collect user charges and fees therefor as provided in the Act; and

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

WHEREAS, the District has found and determined and does hereby find and determine, that acquisition and construction of the Series Projects (hereinafter defined) is and will be necessary and desirable in serving the District's goal of properly managing the acquisition, construction, installation and operation of portions of the infrastructure within and without the boundaries of Unit No. 12; and

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

any other Bond of such Series, (b) for enforcement of the payment of the Bonds of a Series, in accordance with their terms and the terms of this Master Indenture and the Supplemental Indenture authorizing the issuance of such Series of Bonds, and all other sums payable hereunder, under the Supplemental Indenture authorizing such Series of Bonds or on the Bonds of such Series, and (c) for the enforcement of and compliance with the obligations, covenants and conditions of this Master Indenture except as otherwise expressly provided herein, as if all the Bonds at any time Outstanding (hereinafter defined) had been authenticated, executed and delivered simultaneously with the execution and delivery of this Master Indenture, all as herein set forth.

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

**ARTICLE I
DEFINITIONS**

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

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

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

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

"Accreted Value" shall mean, as of the date of computation with respect to any Capital Appreciation Bonds, an amount (truncated to three (3) decimal places) equal to the original principal amount of such Capital Appreciation Bonds at the date of issuance plus the interest accrued on such Capital Appreciation Bonds from the date of original issuance of such Capital Appreciation Bonds to the date of computation, such interest to accrue at the rate of interest per annum of the Capital Appreciation Bonds (or in accordance with a table of compound accreted values set forth in such Capital Appreciation Bonds), compounded semi-annually on each Interest Payment Date; provided, however, that if the date with respect to which any such computation is made is not an Interest Payment Date, the Accreted Value of any Capital Appreciation Bond as of such date shall be the amount determined by compounding the Accreted Value of such Capital Appreciation Bond as of the immediately preceding Interest Payment Date (or the date of original issuance if the date of computation is prior to the first Interest Payment Date succeeding the date of original issuance) at the rate of interest per annum of the Capital Appreciation Bonds for the partial semi-annual compounding period determined by dividing (x) the number of days elapsed (determined on the basis of a 360-day year comprised of twelve (12) thirty (30) day months) from the immediately preceding Interest Payment Date (or the date of original issuance if the date of computation is prior to the first Interest Payment Date succeeding the date of original issuance), by (y) 180. A table of Accreted Values for the Capital Appreciation Bonds shall be incorporated in a Supplemental Indenture executed by the District upon issuance of any Capital Appreciation Bonds.

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

"Act" shall mean Chapter 2004-456, Laws of Florida, as amended from time to time.

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

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

"Assessments" shall mean all assessments levied and collected by or on behalf of the District pursuant to the Act, together with the interest specified by resolution adopted by the Governing Body, the interest specified in Chapter 170, Florida Statutes, if any such interest is collected by or on behalf of the Governing Body, and any applicable penalties collected by or on behalf of the District, together

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periodically on each of the applicable periodic dates designated for compounding and payable in an amount equal to the then-current Accreted Value only at the maturity or earlier redemption thereof, all as so designated in a Supplemental Indenture of the District providing for the issuance thereof.

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

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

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

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

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

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

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

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

"Credit Facility" or "Liquidity Facility" shall mean a letter of credit, a municipal bond insurance policy, a surety bond or other similar agreement issued by a banking institution or other entity satisfactory to the District and providing for

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with any and all amounts received by the District from the sale of tax certificates or otherwise from the collection of Delinquent Assessments and which are referred to as such and pledged to a Series of Bonds pursuant to the Supplemental Indenture authorizing the issuance of such Series of Bonds.

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

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

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

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

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

"Bond Registrar" shall mean the bank or trust company designated as such by Supplemental Indenture with respect to a Series of Bonds for the purpose of maintaining the registration books of the District reflecting the names, addresses, and other identifying information of the Owners of Bonds of such Series.

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

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

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

"Capital Appreciation Bonds" shall mean Bonds issued under this Master Indenture and any Supplemental Indenture as to which interest is compounded

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the payment of the principal of, interest on or purchase price of a Series of Bonds or any alternate or substitute Credit Facility or Liquidity Facility if then in effect.

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

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

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

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

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

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

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

"District" shall mean the West Villages Improvement District, an independent special district established pursuant to the Act, or any successor thereto which succeeds to the obligations of the District hereunder.

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

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

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

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

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

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

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

"Government Obligations" shall mean direct obligations of, or obligations the payment of which is unconditionally guaranteed by, the United States of America.

"Indenture" shall mean this Master Indenture, as amended and supplemented from time to time by a Supplemental Indenture or indentures and shall mean when used with respect to a Series of Bonds issued hereunder, this Master Indenture, as amended and supplemented by the Supplemental Indenture relating to such Series of Bonds.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(a) Government Obligations;

(b) Bonds, debentures, notes or other evidences of indebtedness issued by any of the following agencies or such other government-sponsored agencies which may presently exist or be hereafter created; provided that, such bonds, debentures, notes or other evidences of indebtedness are fully guaranteed as to both principal and interest by the Government National Mortgage Association (including participation certificates issued by such association); Fannie Mae (including participation certificates issued by such entity); Federal Home Loan Banks; Federal Farm Credit Banks; Tennessee Valley Authority; Federal Home Loan Mortgage Corporation and repurchase agreements secured by such obligations, which funds are rated in the highest categories for such funds by both Moody's and S&P at the time of purchase;

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

(d) Money market deposit accounts, time deposits, and certificates of deposits issued by commercial banks, savings and loan associations or mutual savings banks whose short-term obligations are rated, at the time of purchase, in one of the two highest rating categories, without regard to gradation, by Moody's and S&P;

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

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

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

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

"Operation and Maintenance Assessments" shall mean assessments described in Section 7 of the Act, for the maintenance of District facilities or the operations of the District.

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

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

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

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

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

(d) Bonds paid or deemed to have been paid as provided in this Master Indenture or in a Supplemental Indenture with respect to Bonds of a Series, including Bonds with respect to which payment or provision for payment has been made in accordance with Article XII hereof.

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

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

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

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

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

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

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

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

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

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

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

"Redemption Price" shall mean the principal of, premium, if any, and interest accrued to the date fixed for redemption of any Bond called for redemption

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

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

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

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

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

"Series Pledged Funds" shall mean all amounts on deposit from time to time in the Funds and Accounts and designated in the Supplemental Indenture relating to such Series of Bonds as pledged to the payment of such Series of Bonds; provided, however, such term shall not include any amounts on deposit in a Series Rebate Account in the Rebate Fund.

"Series Pledged Revenues" shall mean the revenues designated as such by Supplemental Indenture and which shall constitute the security for and source of payment of a Series of Bonds and may consist of Assessments, Connection Fees or other user fees or other revenues or combinations thereof imposed or levied by the District in accordance with the Act.

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

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

"Series Project" or **"Series Projects"** shall mean the acquisition, construction, equipping and/or improvement of capital projects to be located within or without the District for the benefit of the District to be financed with all or a part of the proceeds of a Series of Bonds as shall be described in the Supplemental Indenture authorizing such Series of Bonds.

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pursuant to the provisions thereof, hereof and of the Supplemental Indenture pursuant to which such Bond is issued.

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

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

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

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

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

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

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

"Series" shall mean all of the Bonds authenticated and delivered on original issuance of a stipulated aggregate principal amount in a simultaneous transaction under and pursuant to the same Supplemental Indenture and any Bonds thereafter authenticated and delivered in lieu of or in substitution therefor pursuant to this Master Indenture and such Supplemental Indenture regardless of variations in maturity, interest rate or other provisions; provided, however, two or more Series of Bonds may be issued simultaneously under the same Supplemental Indenture if designated as separate Series of Bonds by the District upon original issuance.

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

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

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

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

"Series Reserve Account Requirement" shall mean the amount of money or other security which may be in the form of a reserve fund insurance policy or other security as may be required by the terms of a Supplemental Indenture to be deposited in or credited to a Series Reserve Account for a Series of Bonds; provided, however, that unless otherwise provided in the Supplemental Indenture relating to a Series of Bonds, as of any date of calculation for a particular Series Reserve Account, the "Series Reserve Account Requirement" shall be an amount equal to the lesser of (a) the Maximum Annual Debt Service Requirement for all Bonds of such Series then Outstanding, (b) 125% of the average annual debt service for all Bonds of such Series then Outstanding, or (c) the aggregate of ten percent (10%) of the proceeds of the Bonds of such Series calculated as of the date of original issuance thereof. In computing the Series Reserve Account Requirement in respect of any Series of Bonds that constitute Variable Rate Bonds, the interest rate on such Bonds shall be assumed to be the greater of (y) 110% of the daily average interest rate on such Variable Rate Bonds during the twelve (12) months ending with the month preceding the date of calculation, or such shorter period of time that such Series of Bonds shall have been Outstanding, or (z) the actual rate of interest borne by such Variable Rate Bonds on such date of calculation; provided, in no event shall the Series Reserve Account Requirement as adjusted on such date of calculation exceed the lesser of the amounts specified in the immediately preceding sentence. In computing the Series Reserve Account Requirement in accordance with clause (c) of this definition in respect of any Capital Appreciation Bonds, the principal amount of such Bonds shall be the original principal amount thereof, not the Accreted Value. A Supplemental Indenture may provide that the Series Reserve Account Requirement for a Series is zero.

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

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

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

"State" shall mean the State of Florida.

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

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

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

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

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

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

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

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

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

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Section 202. Details of Bonds. Bonds of a Series shall be in such denominations, numbered consecutively, shall bear interest from their date until their payment at rates not exceeding the maximum rate permitted by law, shall be dated, shall be stated to mature in such year or years in accordance with the Act, and shall be subject to redemption prior to their respective maturities, subject to the limitations hereinafter provided, as provided for in the Supplemental Indenture authorizing the issuance of such Series of Bonds. Bonds of a Series may be Current Interest Bonds, Variable Rate Bonds, Capital Appreciation Bonds, Option Bonds or any combination thereof and may be secured by a Credit Facility or Liquidity Facility, all as shall be provided in the Supplemental Indenture authorizing the issuance of such Series of Bonds. Bonds of a Series (or a part of a Series) may be in book-entry form at the option of the District as shall be provided in the Supplemental Indenture authorizing the issuance of such Series of Bonds.

Debt Service shall be payable in any coin or currency of the United States of America which, at the date of payment thereof, is legal tender for the payment of public and private debts. Interest shall be paid to the registered Owner of Bonds at the close of business on the Record Date for such interest; provided, however, that on or after the occurrence and continuance of an Event of Default under clause (a) of Section 902 hereof, the payment of interest and principal or Redemption Price or Amortization Installments pursuant hereto shall be made by the Paying Agent to such person who, on a special record date which is fixed by the Trustee, which shall be not more than fifteen (15) and not less than ten (10) days prior to the date of such proposed payment, appears on the registration books of the Bond Registrar as the registered Owner of a Bond. Any payment of principal, Maturity Amount or Redemption Price shall be made only upon presentation of the Bond at the designated corporate trust office of the Paying Agent in Fort Lauderdale, Florida; provided, however, that presentation shall not be required if the Bonds are in book-entry only form. Payment of interest shall be made by check or draft (or by wire transfer to the registered Owner if such Owner requests such method of payment by delivery of written notice to the Paying Agent prior to the Record Date for the respective interest payment to such account as shall be specified in such request, but only if the registered Owner owns not less than \$1,000,000 in aggregate principal amount of the Bonds or, if less than such amount, all of the Bonds then Outstanding). Unless otherwise provided in the Supplemental Indenture authorizing a Series of Bonds, interest on a Series of Bonds will be computed on the basis of a 360-day year of twelve 30-day months.

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

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

"Trustee" shall mean U.S. Bank Trust Company, National Association with its designated office in Fort Lauderdale, Florida and any successor trustee appointed or serving pursuant to Article VI hereof.

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

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

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

ARTICLE II FORM, EXECUTION, DELIVERY AND DESIGNATION OF BONDS

Section 201. Issuance of Bonds. For the purpose of providing funds for paying all or part of the Cost of a Series Project, Bonds of a Series, without limitation as to aggregate principal amount, may be issued under this Master Indenture subject to the conditions hereinafter provided in Section 207 hereof. Debt Service on each Series of Bonds shall be payable solely from the Pledged Revenues and Pledged Funds pledged to such Series of Bonds in the Supplemental Indenture authorizing the issuance of such Series of Bonds and, as may be provided in such Supplemental Indenture, all of the provisions of this Master Indenture shall be for the benefit and security of the present and future Owners of such Series of Bonds so issued, without preference, priority or distinction, as to lien or otherwise, of any one Bond of such Series over any other Bond of such Series. The District may also issue from time to time, Additional Bonds, Completion Bonds and Refunding Bonds of a Series under and pursuant to the terms of the Supplemental Indenture authorizing the issuance of such Series of Bonds.

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

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

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

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

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indebtedness of the District within the meaning of the Constitution and laws of the State. The Bonds and the interest and premium, if any, payable thereon do not constitute either a pledge of the full faith and credit of the District or a lien upon any property of the District other than as provided herein or in the Supplemental Indenture authorizing the issuance of such Series of Bonds. No Owner or any other person shall ever have the right to compel the exercise of any ad valorem taxing power of the District or any other public authority or governmental body to pay Debt Service or to pay any other amounts required to be paid pursuant to this Master Indenture, any Supplemental Indenture, or the Bonds. Rather, Debt Service and any other amounts required to be paid pursuant to this Master Indenture, any Supplemental Indenture, or the Bonds, shall be payable solely from, and shall be secured solely by, the Series Pledged Revenues and the Series Pledged Funds pledged to such Series of Bonds, all as provided herein and in such Supplemental Indenture.

Section 207. Authorization of Bonds.

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

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

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

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

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

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

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

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

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

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

Section 209. Parity Obligations Under Credit Agreements. As may be provided for or required in any Supplemental Indenture, the District may incur financial obligations under a Letter of Credit Agreement or a Liquidity Agreement payable on parity with respect to the lien on the Trust Estate pledged to a Series of Bonds issued under this Master Indenture and a Supplemental Indenture, without meeting any financial test or requirement set forth in this Master Indenture or the corresponding Supplemental Indenture, but only if the Letter of Credit Agreement or Liquidity Agreement supports a related Series of Bonds then being issued which does meet such tests or requirements.

Section 210. Bond Anticipation Notes. Whenever the District shall authorize the issuance of a Series of Bonds, the District may by resolution authorize the issuance of Bond Anticipation Notes in anticipation of the sale of such authorized Series of Bonds in a principal amount not exceeding the principal amount of such Series of Bonds. The aggregate principal amount of Bonds of such Series and all other Bonds previously authenticated and delivered to pay the Cost of the Series Project or Series Projects for which the proceeds of the Bond Anticipation Notes will be applied shall not exceed such Cost. The interest on such Bond Anticipation Notes may be payable out of the related Series Interest Account to the extent provided in the resolution of the District authorizing such Bond Anticipation Notes. The principal of and interest on such Bond Anticipation Notes and renewals thereof shall be payable from any moneys of the District available therefor or from the proceeds of the sale of the Series of Bonds in anticipation of which such Bond Anticipation Notes are issued. The proceeds of sale of Bond Anticipation Notes

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

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

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

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

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

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

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

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shall be applied to the purposes for which the Bonds anticipated by such Bond Anticipation Notes are authorized and shall be deposited in the appropriate Fund or Account established by the Indenture for such purposes; provided, however, that the resolution or resolutions authorizing such Bond Anticipation Notes may provide for the payment of interest on such Bond Anticipation Notes from the proceeds of sale of such Bond Anticipation Notes and for the deposit in the related Series Capitalized Interest Account. In the event that the District adopts a resolution authorizing the issuance of Bond Anticipation Notes, the District will promptly furnish to the Trustee a copy of such resolution, certified by an Authorized Officer, together with such information with respect to such Bond Anticipation Notes as the Trustee may reasonably request, including, without limitation, information as to the paying agent or agents for such Bond Anticipation Notes. The Trustee shall have no duties or obligations to the holders of such Bond Anticipation Notes unless specifically so authorized by the resolution of the District authorizing the issuance of such Bond Anticipation Notes and unless the Trustee accepts in writing such duties and obligations.

Section 211. Tax Status of Bonds. Any Series of Bonds issued under this Master Indenture may be issued either as Tax-Exempt Bonds or Taxable Bonds. The intended tax status of any Series of Bonds to be issued may be referenced in any Supplemental Indenture authorizing the issuance of such Series of Bonds.

ARTICLE III REDEMPTION OF BONDS

Section 301. Redemption Generally. The Bonds of any Series shall be subject to redemption, either in whole on any date or in part on any Interest Payment Date, and at such times, in the manner and at such prices, as may be provided by the Supplemental Indenture authorizing the issuance of such Series of Bonds. The District shall provide written notice to the Trustee of any optional redemption on or before the forty-fifth (45th) day next preceding the date to be fixed for such optional redemption. Notwithstanding any other provision of this Master Indenture, notice of optional redemption may be conditioned upon the occurrence or non-occurrence of such event or events or upon the later deposit of moneys therefor as shall be specified in such notice of optional redemption and may also be subject to rescission by the District if expressly set forth in such notice.

Unless otherwise provided in the Supplemental Indenture relating to a Series of Bonds, if less than all of the Bonds of a Series shall be called for redemption, the particular Bonds of such Series to be redeemed shall be selected by lot in such reasonable manner as the Bond Registrar in its discretion may determine. The portion of any Series of Bonds to be redeemed shall be in an Authorized Denomination and, in selecting the Bonds of such Series to be redeemed, the Bond Registrar shall treat each such Bond as representing that number of Bonds of such

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Series which is obtained by dividing the principal amount of such Bond by an Authorized Denomination (such amount being hereinafter referred to as the "unit of principal amount").

If it is determined that one or more, but not all, of the units of principal amount represented by any such Bond is to be called for redemption, then upon notice of intention to redeem such unit or units of principal amount as provided below, the registered Owner of such Bond, upon surrender of such Bond to the Paying Agent for payment to such registered Owner of the redemption price of the unit or units of principal amount called for redemption, shall be entitled to receive a new Bond or Bonds of such Series in the aggregate principal amount of the unredeemed balance of the principal amount of such Bond. New Bonds of such Series representing the unredeemed balance of the principal amount shall be issued to the Owner thereof without any charge therefor. If the Owner of any Bond of a denomination greater than the unit of principal amount to be redeemed shall fail to present such Bond to the Paying Agent for payment in exchange as aforesaid, such Bond shall, nevertheless, become due and payable on the date fixed for redemption to the extent of the unit or units of principal amount called for redemption.

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

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

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

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

ARTICLE IV ACQUISITION AND CONSTRUCTION FUND

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

Section 402. Payments from Acquisition and Construction Fund. Payments of the Cost of constructing and acquiring a Series Project shall be made from the Acquisition and Construction Fund as herein provided. All such payments shall be subject to the provisions and restrictions set forth in this Article IV and in Article V hereof, and the District covenants that it will not request any sums to be paid from the Acquisition and Construction Fund except in accordance with such provisions and restrictions. Moneys in the Acquisition and Construction Fund shall be disbursed by check, voucher, order, draft, certificate or warrant signed by any one or more officers or employees of the Trustee legally authorized to sign such items or by wire transfer to an account specified by the payee upon satisfaction of the conditions for disbursement set forth in Section 503(b) hereof.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(iv) Costs of improvements.

(v) Financing charges.

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- (vi) Creation of initial reserve and debt service funds.
 - (vii) Working capital.
 - (viii) Amounts to repay Bond Anticipation Notes or loans made to finance any costs permitted under the Act.
 - (ix) Costs incurred to enforce remedies against contractors, subcontractors, any provider of labor, material, services or any other person for a default or breach under the corresponding contract, or in connection with any dispute.
 - (x) Premiums for contract bonds and insurance during construction and costs on account of personal injuries and property damage in the course of construction and insurance against the same.
 - (xi) Expenses of management and supervision of a Series Project.
 - (xii) Costs of effecting compliance with any and all governmental permits relating to a Series Project.
 - (xiii) Payments, contributions, dedications, fair share or concurrency obligations and any other exactions as a condition to receive any government approval or permit necessary to accomplish any District purpose (including but not limited to impact fees, utility connection fees, school concurrency fees, etc.).
 - (xiv) Any other "cost" or expense as provided by the Act.
- (f) **Refinancing Costs.** All costs described in (a) through (e) above or otherwise permitted by the Act associated with refinancing or repaying any loan or other debt obligation of the District.

Section 404. Disposition of Balances in Acquisition and Construction Fund. On the Date of Completion of a Series Project, the balance in the related Series Acquisition and Construction Account not reserved for the payment of any remaining part of the Cost of the Series Project shall be transferred by the Trustee to the credit of the Series Prepayment Subaccount in the Series Redemption Account, or as otherwise provided in the Supplemental Indenture, and used for the purposes set forth for such Subaccount in the Supplemental Indenture relating to such Series of Bonds.

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for each such Series of Bonds issued hereunder;

- (d) Reserve Fund, and within such Fund there may be established by Supplemental Indenture authorizing a Series of Bonds a separate Series Reserve Account for each such Series of Bonds issued hereunder and any Bonds issued on a parity with any such Series of Bonds hereunder; and
- (e) Rebate Fund, and within such Fund there may be established by Supplemental Indenture authorizing a Series of Bonds a separate Series Rebate Account for each such Series of Tax-Exempt Bonds issued hereunder.

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

Section 503. Acquisition and Construction Fund.

- (a) **Deposits.** The District shall pay to the Trustee, for deposit into the related Series Acquisition and Construction Account in the Acquisition and Construction Fund, as promptly as practicable, the following amounts received by it:
 - (i) the amount set forth in the Supplemental Indenture relating to such Series of Bonds;
 - (ii) subject to Section 806 hereof, payments made to the District from the sale, lease or other disposition of the Series Project or any portion thereof;
 - (iii) the balance of insurance proceeds with respect to the loss or destruction of the Series Project or any portion thereof;
 - (iv) amounts received by the District from a governmental entity pursuant to an interlocal agreement or other similar agreement between the District and such governmental entity providing for the payment by such governmental entity of a portion of the Costs of a Series Project, but only to the extent Bonds funded the Series Project;
 - (v) amounts received from impact fee credits and/or utility connection fee credits; and
 - (vi) such other amounts as may be provided in a Supplemental Indenture.

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

Section 501. Lien. There is hereby irrevocably pledged for the payment of the Bonds of each Series issued hereunder, subject only to the provisions of this Master Indenture and any Supplemental Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in this Master Indenture and any such Supplemental Indenture with respect to each Series of Bonds, the Trust Estate; provided, however, that unless otherwise specifically provided herein or in a Supplemental Indenture relating to a Series of Bonds with respect to the Series Trust Estate securing such Series of Bonds, the Pledged Funds and Pledged Revenues securing a Series of Bonds shall secure only such Series of Bonds and shall not secure any other Bonds or Series of Bonds.

The foregoing pledge shall be valid and binding from and after the date of initial delivery of the Bonds and the proceeds of sale of the Bonds and all the moneys, securities and funds set forth in this Section 501 shall immediately be subject to the lien of the foregoing pledge, which lien is hereby created, without any physical delivery thereof or further act. Such lien shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the District or the Trustee, irrespective of whether such parties have notice thereof. Such lien shall be prior and superior to all other liens now existing or hereafter created.

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

- (a) Acquisition and Construction Fund, and within such Fund there may be established by Supplemental Indenture authorizing a Series of Bonds a separate Series Acquisition and Construction Account and a separate Series Costs of Issuance Account for each Series of Bonds issued hereunder;
- (b) Revenue Fund, and within such Fund there may be established by Supplemental Indenture authorizing a Series of Bonds a separate Series Revenue Account for each Series of Bonds issued hereunder;
- (c) Debt Service Fund, and within such Fund there may be established by Supplemental Indenture authorizing a Series of Bonds,
 - (i) a Series Debt Service Account, and therein a Series Interest Account, a Series Principal Account, a Series Sinking Fund Account and a Series Capitalized Interest Account, and
 - (ii) a Series Redemption Account and therein a Series Prepayment Subaccount and a Series Optional Redemption Subaccount,

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

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

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

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

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

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

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unless otherwise provided for in the Supplemental Indenture relating to a Series of Bonds.

Section 505. Debt Service Fund.

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

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

(ii) to the related Series Principal Account, an amount which, together with other amounts, if any, then on deposit therein, will equal the principal amount, if any, payable with respect to Serial Bonds of such Series on such Interest Payment Date;

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

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

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

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

Notwithstanding the foregoing, so long as there are moneys on deposit in the related Series Capitalized Interest Account on the date required for any transfer into the Series Interest Account as set forth above, the Trustee shall, prior to making any transfer into the related Series Interest Account from the related Series

Series and the Amortization Installments of Term Bonds of such Series, as the case may be.

(e) **Series Redemption Account.** Moneys representing Prepayments on deposit in a Series Prepayment Subaccount to the full extent of a multiple of an Authorized Denomination shall, unless otherwise provided in the Supplemental Indenture relating to such Series of Bonds, be used by the Trustee to redeem Bonds of such Series on the earliest date on which such Bonds are permitted to be called without payment of premium by the terms hereof (including extraordinary mandatory redemption) and of the Supplemental Indenture relating to such Series of Bonds. Such redemption shall be made pursuant to the provisions of Article III hereof. The District shall pay all expenses incurred by the Trustee and Paying Agent in connection with such redemption. Moneys other than from Prepayments shall be held and applied in a Series Redemption Account as provided in Section 506(a) hereof.

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

Section 506. Optional Redemption.

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

Revenue Account, transfer to the related Series Interest Account from the related Series Capitalized Interest Account, the lesser of the interest on such Series of Bonds coming due on the next succeeding Interest Payment Date or the amount remaining on deposit in the related Series Capitalized Interest Account.

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

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

(d) **Series Debt Service Account.** Moneys held for the credit of a Series Interest Account, Series Principal Account and Series Sinking Fund Account in a Series Debt Service Account shall be withdrawn therefrom by the Trustee and transferred by the Trustee to the Paying Agent in amounts and at times sufficient to pay, when due, the interest on the Bonds of such Series, the principal of Serial Bonds of such Series, the Maturity Amount of Capital Appreciation Bonds of such

(b) **Purchase of Bonds of a Series.** The District may purchase Bonds of a Series then Outstanding at any time, whether or not such Bonds shall then be subject to redemption, at the most advantageous price obtainable with reasonable diligence, having regard to maturity, option to redeem, rate and price, such price not to exceed the principal of such Bonds plus the amount of the premium, if any, which would be payable on the next redemption date to the Owners of such Bonds under the provisions of this Master Indenture and the Supplemental Indenture pursuant to which such Series of Bonds was issued if such Bonds were called for redemption on such date. Before making each such purchase, the District shall file with the Trustee a statement in writing directing the Trustee to pay the purchase price of the Bonds of such Series so purchased upon their delivery and cancellation, which statement shall set forth a description of such Bonds, the purchase price to be paid therefor, the name of the seller, and the place of delivery of the Bonds. The Trustee shall pay the interest accrued on such Bonds to the date of delivery thereof from the related Series Interest Account and the principal portion of the purchase price of Serial Bonds from the related Series Principal Account, but no such purchase shall be made after the Record Date in any Bond Year in which Bonds have been called for redemption. To the extent that insufficient moneys are on deposit in a related Series Interest Account to pay the accrued interest portion of the purchase price of any Bonds or in a related Series Principal Account to pay the principal amount of the purchase price of any Serial Bond, the Trustee shall transfer into such Accounts from the related Series Revenue Account sufficient moneys to pay such respective amounts. In the event that there are insufficient moneys on deposit in the related Series Sinking Fund Account with which to pay the principal portion of the purchase price of any Term Bonds, the Trustee may, at the written direction of the District, transfer moneys into such related Series Sinking Fund Account from the related Series Revenue Account to pay the principal amount of such purchase price, but only in an amount no greater than the Amortization Installment related to such Series of Bonds coming due in the current Bond Year calculated after giving effect to any other purchases of Term Bonds during such Bond Year. The Trustee may pay the principal portion of the purchase price of Bonds from the related Series Redemption Account, but only upon delivery of written instructions from an Authorized Officer of the District to the Trustee accompanied by a certificate of an Authorized Officer: (A) stating that sufficient moneys are on deposit in the Series Redemption Account to pay the purchase price of such Bonds; (B) setting forth the amounts and maturities of Bonds of such Series which are to be redeemed from such amounts; and (C) containing cash flows which demonstrate that, after giving effect to the purchase of Bonds in the amounts and maturities set forth in clause (B) above, the Pledged Revenues to be received by the District in the current and each succeeding Bond Year will be sufficient to pay the principal, Maturity Amount and Amortization Installments of and interest on all Bonds of such Series. The Trustee may pay the principal portion of the purchase price of any Term Bonds from the related Series Sinking Fund Account, but only Term Bonds of a maturity having Amortization Installments in the current Bond

Year and in the principal amount no greater than the Amortization Installment related to such Series of Bonds coming due in the current Bond Year (calculated after giving effect to any other purchases of Term Bonds during such Bond Year). The Trustee may pay the principal portion of the purchase price of Term Bonds having maturities different from or in amounts greater than set forth in the preceding sentence from amounts on deposit in the related Series Sinking Fund Account and the Trustee may transfer moneys from the related Series Revenue Account to the related Series Sinking Fund Account for such purpose, but only upon delivery of written instructions from an Authorized Officer to the Trustee accompanied by a certificate of an Authorized Officer: (X) stating that sufficient moneys are on deposit in the Series Sinking Fund Account, after giving effect to any transfers from the related Series Revenue Account, to pay the principal portion of the purchase price of such Term Bonds; (Y) setting forth the amounts and maturities of Term Bonds of such Series which are to be redeemed from such amounts and the Amortization Installments against which the principal amount of such purchases are to be credited; and (Z) containing cash flows which demonstrate that, after giving effect to the purchase of Term Bonds in the amounts and having the maturities and with the credits against Amortization Installments set forth in clause (Y) above and any transfers from the related Series Revenue Account, the Pledged Revenues to be received by the District in the current and in each succeeding Bond Year will be sufficient to pay the principal, Maturity Amount and Amortization Installments of and interest on all Bonds of such Series. If any Bonds are purchased pursuant to this subsection (b), the principal amount of the Bonds so purchased shall be credited as follows:

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

(ii) if the Bonds are Term Bonds of a Series, against the Amortization Installments for Bonds of such Series first coming due in the current Bond Year or, if such Term Bonds so purchased are to be credited against Amortization Installments coming due in any succeeding Bond Year, against the Amortization Installments on Term Bonds of such Series maturing on the same date and designated in the certificate of the Authorized Officer accompanying the direction of the District to effect such purchase; or

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

Section 507. Rebate Fund.

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later than the respective dates, as estimated by an Authorized Officer, when moneys held for the credit of each such Account will be required for the purposes intended.

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

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

(d) **Valuation.** In computing the value of the assets of any Fund or Account, investments and earnings thereon shall be deemed a part thereof. The Trustee shall value the assets in each of the Funds and Accounts established hereunder as of September 30 of each Fiscal Year, and as soon as practicable after each such valuation date (but no later than ten (10) days after each such valuation date) shall provide the District a report of the status of each Fund and Account as of the valuation date. For the purpose of determining the amount on deposit to the credit of any Fund or Account established hereunder, with the exception of a Series Reserve Account, obligations in which money in such Fund or Account shall have been invested shall be valued at the market value or the amortized cost thereof, whichever is lower, or at the Redemption Price thereof, to the extent that any such obligation is then redeemable at the option of the holder. For the purpose of determining the amount on deposit to the credit of a Series Reserve Account, obligations in which money in such Account shall have been invested shall be valued at par, if purchased at par, or at amortized cost, if purchased at other than par, plus, in each case, accrued interest. Amortized cost, when used with respect to

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(a) **Creation.** There is created and established by Section 502 hereof a Rebate Fund, and within the Rebate Fund a Series Rebate Account for each Series of Tax-Exempt Bonds. Moneys deposited and held in the Rebate Fund shall not be subject to the pledge of this Master Indenture.

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

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

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

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

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

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

Section 509. Deficiencies and Surpluses in Funds and Accounts. For purposes of this Section 509, (a) a "deficiency" shall mean, in the case of a Series Reserve Account, that the amount on deposit therein is less than the Series Reserve Account Requirement (but only after the Bond Year in which the amount on deposit therein first equals the Series Reserve Account Requirement), and (b) a "surplus" shall mean in the case of a Series Reserve Account, that the amount on deposit therein is in excess of the Series Reserve Account Requirement.

At the time of any withdrawal from a Series Reserve Account that results in a deficiency therein, the Trustee shall promptly notify the District of the amount of any such deficiency and the Trustee shall withdraw the amount of such deficiency from the related Series Revenue Account and, if amounts on deposit therein are insufficient therefor, the District shall pay the amount of such deficiency to the Trustee, for deposit in such Series Reserve Account, from the first legally available sources of the District.

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

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

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

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

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

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

ARTICLE VI CONCERNING THE TRUSTEE

Section 601. Acceptance of Trust. The Trustee accepts and agrees to execute the trusts hereby created, but only upon the additional terms set forth in this Article VI, to all of which the parties hereto and the Owners agree. The Trustee shall have only those duties expressly set forth herein, and no duties shall be implied against the Trustee.

Section 602. No Responsibility for Recitals. The recitals, statements and representations in this Master Indenture, in any Supplemental Indenture or in the Bonds, save only the Trustee's authentication certificate, if any, upon the Bonds, have been made by the District and not by the Trustee, and the Trustee shall be under no responsibility for the correctness thereof.

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

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606 and Section 607 being defined to include the events specified as "Events of Default" in Section 902 hereof, but not including any notice or periods of grace provided for therein) or if the Trustee, based upon the advice of counsel upon which the Trustee is entitled to rely, determines that the giving of such notice is not in the best interests of the Owners of the Bonds. The Trustee will be deemed to have actual knowledge of any payment default under this Master Indenture or under any Supplemental Indenture and after receipt of written notice thereof by a Credit Facility issuer or Liquidity Facility issuer of a default under its respective reimbursement agreement, but shall not be deemed to have actual knowledge of any other default unless notified in writing of such default by the Owners of at least twenty-five percent (25%) in aggregate principal amount of the Bonds then Outstanding and affected by such default. The Trustee may, however, at any time require of the District full information as to the performance of any covenant hereunder; and if information satisfactory to it is not forthcoming, the Trustee may make or cause to be made, at the expense of the District, an investigation into the affairs of the District.

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

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

Section 609. Trustee May Deal in Bonds. The Trustee may in good faith buy, sell, own, hold and deal in any of the Bonds and may join in any action which any Owners may be entitled to take with like effect as if the Trustee were not a party to this Master Indenture or any Supplemental Indenture. The Trustee may also engage in or be interested in any financial or other transaction with the District.

Section 610. Construction of Ambiguous Provision. The Trustee may construe any ambiguous or inconsistent provisions of this Master Indenture or any Supplemental Indenture and any construction by the Trustee shall be binding upon

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or employees, and shall be entitled to advice of counsel concerning all questions hereunder, and the Trustee shall not be answerable for the default or misconduct of any attorney, agent or employee selected by it with reasonable care. In performance of its duties hereunder, the Trustee may rely on the advice of counsel and shall not be held liable for actions taken in reliance on the advice of counsel. The Trustee shall not be answerable for the exercise of any discretion or power under this Master Indenture or any Supplemental Indenture nor for anything whatsoever in connection with the trust hereunder, except only its own gross negligence or willful misconduct.

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

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

Section 606. Notice of Default; Right to Investigate. The Trustee shall give written notice, as soon as practicable, by first-class mail to registered Owners of Bonds of all defaults of which the Trustee has actual knowledge, unless such defaults have been remedied (the term "defaults" for purposes of this Section

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the Owners. The Trustee shall give prompt written notice to the District of any intention to make such construal.

Section 611. Resignation of Trustee. The Trustee may resign and be discharged of the trusts created by this Master Indenture by written resignation filed with the Secretary of the District not less than sixty (60) days before the date when such resignation is to take effect; provided that notice of such resignation shall be sent by first-class mail to each Owner as its name and address appears on the Bond Register and to any Paying Agent, Bond Registrar, any Credit Facility issuer and any Liquidity Facility issuer, at least sixty (60) days before the resignation is to take effect. Such resignation shall take effect on the day specified in the Trustee's notice of resignation unless a successor Trustee is previously appointed, in which event the resignation shall take effect immediately on the appointment of such successor; provided, however, that notwithstanding the foregoing such resignation shall not take effect until a successor Trustee has been appointed. If a successor Trustee has not been appointed within sixty (60) days after the Trustee has given its notice of resignation, the Trustee may petition any court of competent jurisdiction for the appointment of a temporary successor Trustee to serve as Trustee until a successor Trustee has been duly appointed.

Section 612. Removal of Trustee. Any Trustee hereunder may be removed at any time without cause by an instrument appointing a successor to the Trustee so removed, upon application of the District; provided, however, that if an Event of Default has occurred hereunder and is continuing with respect to a Series of Bonds, then the Trustee hereunder may be removed only by an instrument appointing a successor to the Trustee so removed executed by the Majority Owners of the Series of Bonds as to which such Event of Default exists and filed with the Trustee and the District.

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

Section 613. Appointment of Successor Trustee. If the Trustee or any successor Trustee resigns or is removed or dissolved, or if its property or business is taken under the control of any state or federal court or administrative body, a vacancy shall forthwith exist in the office of the Trustee, and the District shall appoint a successor and shall mail notice of such appointment, including the name and address of the applicable corporate trust office of the successor Trustee, by first-class mail to each Owner as its name and address appears on the Bond Register,

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and to the Paying Agent, Bond Registrar, any Credit Facility issuer and any Liquidity Facility issuer; provided, however, that the District shall not appoint a successor Trustee if an Event of Default has occurred and is continuing, unless the District shall have received the prior written consent, which consent shall not be unreasonably withheld, of any Credit Facility issuer and any Liquidity Facility issuer, to the appointment of such successor Trustee. If an Event of Default has occurred hereunder and is continuing and the Trustee or any successor Trustee resigns or is removed or dissolved, or if its property or business is taken under the control of any state or federal court or administrative body, a vacancy shall forthwith exist in the office of the Trustee, and a successor may be appointed by any court of competent jurisdiction upon the application of the Owners of not less than twenty percent (20%) in aggregate principal amount of the Bonds then Outstanding and such successor Trustee shall mail notice of its appointment, including the name and address of the applicable corporate trust office of the successor Trustee, by first-class mail to each Owner as its name and address appears on the Bond Registrar, and to the Paying Agent, Bond Registrar, any Credit Facility issuer and any Liquidity Facility issuer.

Section 614. Qualification of Successor Trustee. A successor Trustee shall be a national bank with trust powers or a bank or trust company with trust powers, having a combined net capital and surplus of at least \$50,000,000.

Section 615. Instruments of Succession. Except as provided in Section 616 hereof, any successor Trustee shall execute, acknowledge and deliver to the District an instrument accepting such appointment hereunder, and thereupon such successor Trustee, without any further act, deed, or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, duties and obligations of its predecessor in trust hereunder, with like effect as if originally named Trustee herein, except for the predecessor's rights under Section 604 hereof. After withholding from the funds on hand any amounts owed to itself hereunder, the Trustee ceasing to act hereunder shall pay over to the successor Trustee all moneys held by it hereunder; and the Trustee ceasing to act and the District shall execute and deliver an instrument or instruments transferring to the successor Trustee all the estates, properties, rights, powers and trusts hereunder of the Trustee ceasing to act except for the rights granted under Section 604 hereof. The successor Trustee shall mail notice of its appointment, including the name and address of the applicable corporate trust office of the successor Trustee, by first-class mail to each Owner as its name and address appears on the Bond Registrar, and to the Paying Agent, Bond Registrar, any Credit Facility issuer and any Liquidity Facility issuer.

Section 616. Merger of Trustee. Any corporation, entity or purchaser into which any Trustee hereunder may be merged or with which it may be consolidated or into which all or substantially all of its corporate trust assets shall be sold or its operations conveyed, or any corporation, entity or purchaser resulting from any merger, consolidation or sale to which any Trustee hereunder shall be a

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appointment to the predecessor Paying Agent or Bond Registrar, the successor Paying Agent or Bond Registrar, the Trustee and all Owners. Any new Paying Agent or Bond Registrar so appointed shall immediately and without further act supersede the predecessor Paying Agent or Bond Registrar.

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

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

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

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

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party, shall be the successor Trustee under this Master Indenture, without the execution or filing of any paper or any further act on the part of the parties thereto, anything herein to the contrary notwithstanding; provided, however, that any such successor corporation, entity or purchaser continuing to act as Trustee hereunder shall meet the requirements of Section 614 hereof, and if such corporation, entity or purchaser does not meet the aforesaid requirements, a successor Trustee shall be appointed pursuant to this Article VI.

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

Section 618. Removal of Paying Agent or Bond Registrar. The Paying Agent or Bond Registrar may be removed at any time without cause prior to any Event of Default by the District by filing with the Paying Agent or Bond Registrar to be removed and the Trustee, an instrument or instruments in writing executed by an Authorized Officer appointing a successor. Such removal shall be effective thirty (30) days after delivery of the instrument (or such longer period as may be set forth in such instrument); provided, however, that no such removal shall be effective until the successor Paying Agent or Bond Registrar appointed hereunder shall execute, acknowledge and deliver to the District an instrument accepting such appointment hereunder.

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

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

ARTICLE VII FUNDS CONSTITUTE TRUST FUNDS

Section 701. Trust Funds. Subject to the provisions of Section 604 and Section 905(a) hereof, all amounts on deposit in Funds or Accounts for the benefit of a Series of Bonds shall:

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

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

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

(d) until applied for the purposes provided herein, be subject to a first lien in favor of the Owners of such Series of Bonds and any parity obligations to issuers of Credit Facilities or Liquidity Facilities with respect to such Series of Bonds, which lien is hereby created, prior and superior to all other liens now existing or hereafter created, and, to a second lien in favor of the Trustee, as security for the reasonable compensation for the services of the Trustee hereunder, and also all its reasonable expenses and disbursements, including the reasonable fees and expenses of Trustee's counsel, subordinate and inferior to the security interest granted to the Owners of such Series of Bonds and any parity obligations to issuers of Credit Facilities or Liquidity Facilities with respect to such Series of Bonds, but nevertheless payable in the order of priority as set forth in Section 905(a) or Section 905(b) hereof upon the occurrence of an Event of Default; and

(e) shall not be subject to lien or attachment by any creditor of the Trustee or any creditor of the District or any other Series of Bonds other than the Owners of

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such Series of Bonds and the issuers of Credit Facilities or Liquidity Facilities with respect to such Series of Bonds.

ARTICLE VIII COVENANTS AND AGREEMENTS OF THE DISTRICT

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

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

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

Section 804. Power to Issue Bonds and Create a Lien. The District hereby represents to the Trustee and to the Owners that it is and will be duly authorized under all applicable laws to issue the Bonds of each Series, to execute this Master Indenture, to adopt Supplemental Indentures, and to pledge its moneys, securities and funds in the manner and to the extent provided herein. Except as provided herein, the District hereby represents that such moneys, securities and funds of the District are and will be free and clear of any pledge, lien, charge or encumbrance thereon and all action on the part of the District to that end has been and will be duly and validly taken. The Bonds of each Series, this Master Indenture and any Supplemental Indenture are and will be the valid and legally enforceable obligations of the District, enforceable in accordance with their terms except to the extent that enforcement thereof may be subject to bankruptcy and other similar laws affecting creditors' rights generally. The District shall at all times, to the extent permitted by law, defend, preserve and protect the pledge and lien created by this Master Indenture and all the rights of the Owners hereunder against all claims and demands of all other persons whomsoever.

Section 805. Power to Undertake Series Projects and to Collect Pledged Revenues. The District has or will have upon the date of issuance of

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same or cause the same to be maintained, preserved and kept, with the appurtenances and every part and parcel thereof, in good repair, working order and condition, and shall from time to time make, or cause to be made, all necessary and proper repairs, replacements and renewals so that at all times the operation thereof may be properly and advantageously conducted.

Section 808. Accounts and Reports.

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

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

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

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

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

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

Notwithstanding the foregoing, the District may: (a) dispose of all or any part of a Series Project, other than a Series Project the revenues to be derived from the operation of which are pledged to a Series of Bonds, by gift or dedication thereof to any unit of local government, or to the State or any agency or instrumentality of either of the foregoing or the United States Government; and/or (b) impose, declare or grant title to or interests in the Series Project or a portion or portions thereof in order to create ingress and egress rights and public and private utility easements as the District may deem necessary or desirable for the development, use and occupancy of the property within the District; and/or (c) impose or declare covenants, conditions and restrictions pertaining to the use, occupancy and operation of the Series Projects.

Section 807. Completion and Maintenance of Series Projects. The District shall complete the acquisition and construction of a Series Project with all practical dispatch and in a sound and economical manner. So long as any Series Project is owned by the District, the District shall maintain, preserve and keep the

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

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

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

Section 812. Delinquent Assessments. If the owner of any lot or parcel of land shall be delinquent in the payment of any Assessment pledged to a Series of Bonds, then such Assessment shall be enforced in accordance with the provisions of Chapters 170 and/or 197, Florida Statutes, including but not limited to the sale of tax certificates and tax deeds as regards such Delinquent Assessment. In the event the provisions of Chapter 197, Florida Statutes, are inapplicable or unavailable, or in the event that an Assessment was directly collected by the District, as permitted by a Supplemental Indenture, then upon the delinquency of any such Assessment, the District either on its own behalf, or through the actions of the Trustee may, and shall, if so directed in writing by the Majority Owners of the Bonds of such Series then Outstanding, declare the entire unpaid balance of such Assessment, to be in default and, at its own expense, cause such delinquent property to be foreclosed in the same method now or hereafter provided by law for the foreclosure of mortgages on real estate, or pursuant to the provisions of Chapters 170 and 173, Florida Statutes, or otherwise as provided by law. The District further covenants to furnish, at its expense, to any Owner of Bonds of the related Series so requesting, sixty (60) days after the due date of each annual installment, a list of all Delinquent Assessments together with a copy of the District's annual audit (if available), and a

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list of foreclosure actions currently in progress and the current status of such Delinquent Assessments.

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

Section 814. Sale of Tax Deed or Foreclosure of Assessment Lien. If any property shall be offered for sale for the nonpayment of any Assessment which is pledged to a Series of Bonds, and no person or persons shall purchase such property for an amount less than or equal to the full amount due on the Assessments (principal, interest, penalties and costs, plus attorneys' fees, if any), the property may then be purchased by the District for an amount equal to the balance due on the Assessments (principal, interest, penalties and costs, plus attorneys' fees, if any), from any legally available funds of the District and the District shall receive in its corporate name or in the name of a special purpose entity title to the property for the benefit of the Owners of the Series of Bonds to which such Assessments were pledged; provided that the Trustee shall have the right, acting at the direction of the Majority Owners of the applicable Series of Bonds secured by such Assessments, but shall not be obligated, to direct the District with respect to any action taken pursuant to this paragraph. The District, either through its own actions, or actions caused to be taken through the Trustee, shall have the power to lease or sell such property, and deposit all of the net proceeds of any such lease or sale into the related Series Revenue Account. Not less than ten (10) days prior to the filing of any foreclosure action as herein provided, the District shall cause written notice thereof to be mailed to any designated agents of the Owners of the related Series of Bonds. Not less than thirty (30) days prior to the proposed sale of any lot or tract of land acquired by foreclosure by the District, it shall give written notice thereof to such representatives. The District, either through its own actions, or actions caused to be taken through the Trustee, agrees that it shall be required to take the measures provided by law for the listing for sale of property acquired by it as trustee for the benefit of the Owners of the related Series of Bonds within sixty (60) days after the receipt of the request therefor signed by the Trustee or the Majority Owners of the Bonds of such Series then Outstanding.

Section 815. Other Obligations Payable from Assessments. The District will not issue or incur any obligations payable from the proceeds of

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Disclosure Agreement. Notwithstanding any other provision of this Master Indenture or any Supplemental Indenture, failure of the District or any other obligated person to comply with any Continuing Disclosure Agreement shall not be considered an Event of Default hereunder; however, the Trustee may (and, at the request of any participating underwriter or the Owners of at least twenty-five percent (25%) aggregate principal amount of Bonds of a Series then Outstanding and receipt of indemnity to its satisfaction, shall) or any Owner or Beneficial Owner of the Bonds of a Series then Outstanding may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the District to comply with its obligations under this Section 818. For purposes of this Section, "Beneficial Owner" means any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositaries or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

ARTICLE IX EVENTS OF DEFAULT AND REMEDIES

Section 901. Extension of Interest Payment. If the time for payment of interest of a Bond of any Series shall be extended, whether or not such extension be by or with the consent of the District, such interest so extended shall not be entitled in case of default hereunder to the benefit or security of this Master Indenture unless the aggregate principal amount of such Bonds then Outstanding and of all accrued interest the time for payment of which shall not have been extended, shall have previously been paid in full.

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

- (a) Any payment of Debt Service on such Series of Bonds is not made when due;
- (b) The District shall for any reason be rendered incapable of materially fulfilling its obligations hereunder or under the Supplemental Indenture relating to such Series of Bonds;
- (c) The District admits in writing its inability to pay its debts generally as they become due, or files a petition in bankruptcy or makes an assignment for the benefit of its creditors or consents to the appointment of a receiver or trustee for itself or for the whole or any part of the related Series Project;

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Assessments securing a Series of Bonds nor voluntarily create or cause to be created any debt, lien, pledge, assignment, encumbrance or other charge upon such Assessments other than the lien of any Subordinate Debt except for fees, commissions, costs, and other charges payable to the Property Appraiser or to the Tax Collector pursuant to State law.

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

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

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

The District shall not enter into any contract or take any action by which the rights of the Trustee or the Owners may be impaired and shall, from time to time, execute and deliver such further instruments and take such further action as may be required to carry out the purposes of this Master Indenture and any Supplemental Indenture. For so long as any Bonds are Outstanding hereunder, unless otherwise provided by the Act, the District shall maintain its corporate existence as a local unit of special purpose government under the Act and shall provide for or otherwise require all Series Projects, and all parts thereof owned by the District to be (a) continuously operated, repaired, improved and maintained as shall be necessary to provide adequate service to the lands benefited thereby, and (b) in compliance with all valid and applicable laws, acts, rules, regulations, permits, orders, requirements and directions of any competent public authority.

Section 818. Continuing Disclosure. The District covenants and agrees that it will comply with and carry out all of the provisions of any Continuing

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

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

(f) If at any time the amount in the related Series Reserve Account is less than the Series Reserve Account Requirement relating to the Bonds of a Series as a result of the Trustee withdrawing an amount therefrom to satisfy Debt Service on the Bonds of such Series and such amount has not been restored within thirty (30) days of such withdrawal;

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

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

Section 903. Acceleration of Maturities of Bonds of a Series Under Certain Circumstances. Upon the happening and continuance of any Event of Default specified in clauses (a) through (i) of Section 902 above with respect to a Series of Bonds, the Trustee shall, upon written direction of the Majority Owners of the Bonds of such Series then Outstanding, by a notice in writing to the District, declare the aggregate principal amount of all of the Bonds of such Series then Outstanding (if not then due and payable) to be due and payable immediately and, upon such declaration, the same shall become and be immediately due and payable, anything contained in the Bonds of such Series or in this Master Indenture or in the Supplemental Indenture authorizing such Series of Bonds to the contrary notwithstanding; provided, however, that no such declaration of acceleration shall

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occur in the case of Bonds of a Series secured by Assessments, except to the extent that the Assessments have been accelerated and are currently due and payable in accordance with applicable law; and provided further, however, that if at any time after the aggregate principal amount of the Bonds of any Series then Outstanding shall have been so declared to be due and payable, and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such default, or before the completion of the enforcement of any other remedy under this Master Indenture or the related Supplemental Indenture, moneys shall have accumulated in the related Series Revenue Account sufficient to pay the principal of all matured Bonds of such Series and all arrears of interest, if any, upon all Bonds of such Series then Outstanding (except the aggregate principal amount of any Bonds of such Series then Outstanding that is only due because of a declaration under this Section 903, and except for the interest accrued on the Bonds of such Series since the last Interest Payment Date), and all amounts then payable by the District hereunder shall have been paid or a sum sufficient to pay the same shall have been deposited with the Paying Agent, and every other default (other than a default in the payment of the aggregate principal amount of the Bonds of such Series then Outstanding that is due only because of a declaration under this Section 903) shall have been remedied, then the Trustee or, if the Trustee is unable or unwilling to act, the Majority Owners of such Series of Bonds then Outstanding not then due except by virtue of a declaration under this Section 903, may, by written notice to the District, rescind and annul such declaration and its consequences, but no such rescission or annulment shall extend to or affect any subsequent default or impair any right consequent thereon.

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

The Majority Owners of the Bonds of such Series then Outstanding shall, subject to the requirements of Section 607, have the right, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting all remedial proceedings by the Trustee hereunder, provided that such directions shall not be in conflict with any rule of law or this Master Indenture and that the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would be unduly prejudicial to the rights of the Owners of such Series of Bonds not parties to such direction or would subject the Trustee to personal liability or expense. Notwithstanding the

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

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

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

SECOND: to payment to the persons entitled thereto of all installments of interest then due and payable on the Bonds of such Series, in the order in which such installments become due and payable and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference except as to any difference in the rates of interest specified in the Bonds of such Series; and

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

(b) If the aggregate principal amount of all the Bonds of a Series shall have become due and payable in accordance with their terms or shall have been declared due and payable pursuant to the provisions of Section 903 hereof, all such moneys shall be applied first to the payment of any fees and expenses of the Trustee, including reasonable counsel fees and expenses, to the extent not otherwise

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foregoing, the Trustee shall have the right to select and retain legal counsel of its choosing to represent it in any such proceedings. The Trustee may take any other action which is not inconsistent with any direction under this second paragraph of this Section 904.

No Owner of such Series of Bonds shall have any right to pursue any other remedy under this Master Indenture or such Series of Bonds unless: (a) an Event of Default shall have occurred and is continuing; (b) the Majority Owners of the Bonds of such Series then Outstanding have requested the Trustee, in writing, to exercise the powers granted in the first paragraph of this Section 904 or to pursue such remedy in its or their name or names; (c) the Trustee has been offered indemnity satisfactory to it against costs, expenses and liabilities reasonably anticipated to be incurred; (d) the Trustee has declined to comply with such request, or has failed to do so, within sixty (60) days after its receipt of such written request and offer of indemnity; and (e) no direction inconsistent with such request has been given to the Trustee during such sixty (60) day period by the Majority Owners of the Bonds of such Series then Outstanding. The provisions of the immediately preceding sentence of this Section 904 are conditions precedent to the exercise by any Owner of such Series of Bonds of any remedy hereunder. The exercise of such rights is further subject to the provisions of Sections 907, 909, 910, 912 and the second paragraph of this Section 904. No Owner or Owners of such Series of Bonds shall have any right in any manner whatsoever to enforce any right under this Master Indenture, except in the manner herein provided.

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

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paid, and then the payment of the whole amount of principal and interest then due and unpaid upon the Bonds of such Series, without preference or priority of principal or of interest or of any installment of interest over any other, or of any Bond over any other Bond of such Series, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference except as to any difference in the respective rates of interest specified in the Bonds of such Series.

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

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

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

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

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

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

Section 909. Delay Not a Waiver. No delay or omission of the Trustee or any Owner to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given to the Trustee and the Owners may be exercised from time to time and as often as may be deemed expedient.

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

Section 911. No Cross Default Among Series. The occurrence of an Event of Default hereunder or under any Supplemental Indenture with respect to any Series of Bonds shall not constitute an Event of Default with respect to any other Series of Bonds, unless the event giving rise to the Event of Default also constitutes an Event of Default hereunder or under the Supplemental Indenture with respect to such other Series of Bonds.

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

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such Series then Outstanding, to the proposed action if the District does not receive a written response from the Trustee within sixty (60) days following delivery to the Trustee of a written request for consent);

(iv) the Trustee shall have the right, by interpleader or otherwise, to seek or oppose any relief in any such Proceeding that the District, as claimant with respect to the Assessments relating to the Bonds of a Series then Outstanding, would have the right to pursue, and, if the Trustee chooses to exercise any such rights, the District shall not oppose the Trustee in seeking to exercise any and all rights and taking any and all actions available to the District in connection with any Proceeding of any Insolvent Taxpayer, including, without limitation, the right to file and/or prosecute and/or defend any claims and proofs of claims, to vote to accept or reject a plan, to seek dismissal of the Proceeding, to seek stay relief to commence or continue foreclosure or pursue any other available remedies as to the Assessments relating to the Bonds of a Series then Outstanding, to seek substantive consolidation, to seek to shorten the Insolvent Taxpayer's exclusivity periods or to oppose any motion to extend such exclusivity periods, to oppose any motion for use of cash collateral or for authority to obtain financing, to oppose any sale procedures motion or any sale motion, to propose a competing plan of reorganization or liquidation, or to make any election under Section 1111(b) of the Bankruptcy Code; and

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

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

(c) Nothing in this Section 913 shall preclude the District from becoming a party to a Proceeding in order to enforce a claim for Operation and Maintenance Assessments, and the District shall be free to pursue such a claim for Operation and Maintenance Assessments in such manner as it shall deem appropriate in its sole

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

(a) The provisions of this Section 913 shall be applicable both before and after the commencement, whether voluntary or involuntary, of any case, proceeding or other action by or against any owner of any tax parcel, or tax parcels which are in the aggregate, subject to at least five percent (5%) of the Assessments pledged to the Bonds of a Series then Outstanding (an "Insolvent Taxpayer") under any existing or future law of any jurisdiction relating to bankruptcy, insolvency, reorganization, assignment for the benefit of creditors, or relief of debtors (a "Proceeding").

(b) The District acknowledges and agrees that, although the Bonds of a Series were issued by the District, the Owners of the Bonds of a Series are categorically the party with the ultimate financial stake in the transaction and, consequently, the party with a vested and pecuniary interest in a Proceeding. In the event of any Proceeding involving an Insolvent Taxpayer:

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

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

(iii) the District hereby agrees that it shall make a reasonable attempt to timely seek the written consent of the Trustee prior to filing and voting in any such Proceeding (provided, however, the Trustee shall be deemed to have consented, on behalf of the Majority Owners of the Bonds of

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and absolute discretion; provided, however, that such claim shall not seek to reduce the amount or receipt of Assessments. Any actions taken by the District in pursuance of its claim for Operation and Maintenance Assessments in any Proceeding shall not be considered an action adverse or inconsistent with the Trustee's rights or consents with respect to the Assessments relating to the Bonds of a Series then Outstanding whether such claim is pursued by the District or the Trustee; provided, however, that the District shall not oppose any relief sought by the Trustee under the authority granted to the Trustee in clause (b)(iv) above.

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

Section 1001. Execution of Instruments by Owners and Proof of Ownership of Bonds. Any request, direction, consent or other instrument in writing required or permitted by this Master Indenture or any Supplemental Indenture to be signed or executed by Owners may be in any number of concurrent instruments of similar tenor and may be signed or executed by Owners or their attorneys or legal representatives. Proof of the execution of any such instrument shall be sufficient for any purpose of this Master Indenture and shall be conclusive in favor of the District with regard to any action taken by it under such instrument if verified by any officer in any jurisdiction who, by the laws thereof, has power to take affidavits within such jurisdiction, to the effect that such instrument was subscribed and sworn to before him, or by an affidavit of a witness to such execution. Where such execution is on behalf of a person other than an individual such verification or affidavit shall also constitute sufficient proof of the authority of the signer thereof.

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

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

**ARTICLE XI
SUPPLEMENTAL INDENTURES**

Section 1101. Supplemental Indentures Without Owner Consent. The Governing Body from time to time may authorize such indentures

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supplemental hereto or amendatory hereof as shall not be inconsistent with the terms and provisions hereof (which Supplemental Indenture shall thereafter form a part hereof), without the consent of the Owners, for the following purposes:

- (a) to provide for the initial issuance of a Series of Bonds or Refunding Bonds; or
- (b) to make any change whatsoever to the terms and provisions of this Master Indenture, but only as such change relates to a Series of Bonds upon the original issuance thereof (or upon the original issuance of Refunding Bonds which defease and discharge the Supplemental Indenture of the Series of Bonds to be refunded) under and pursuant to the terms of the Supplemental Indenture effecting such change; or
- (c) to cure any ambiguity or formal defect or omission or to correct any inconsistent provisions in this Master Indenture; or
- (d) to grant to the Owners or to the Trustee on behalf of the Owners any additional rights or security that may lawfully be granted; or
- (e) to add to the covenants and agreements of the District in this Master Indenture other covenants and agreements thereafter to be observed by the District to the benefit of the Owners of the Bonds then Outstanding; or
- (f) to make such changes as may be necessary in order to reflect amendments to the Act or Chapters 170, 197 and 298, Florida Statutes, or any other Florida Statutes, so long as, in the opinion of counsel to the District, such changes either: (i) do not have a material adverse effect on the Owners of each Series of Bonds to which such changes relate; or (ii) if such changes do have a material adverse effect, that they nevertheless are required to be made as a result of such amendments; or
- (g) to modify the provisions of this Master Indenture or any Supplemental Indenture provided that such modification does not, in the written opinion of Bond Counsel, materially adversely affect the interests of the Owners of Bonds then Outstanding, upon which opinion the Trustee may conclusively rely.

Section 1102. Supplemental Indentures With Owner Consent.

(a) Subject to the provisions contained in this Section 1102, and not otherwise, the Majority Owners of Bonds then Outstanding shall have the right, from time to time, anything contained in this Master Indenture to the contrary notwithstanding, to consent to and approve the adoption of such indentures supplemental hereto or amendatory hereof as shall be deemed desirable by the District for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the provisions of this Master Indenture; provided, however,

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Owners. The District shall not, however, be subject to any liability to any Owner by reason of its failure to cause the notice required by this Section 1102 to be mailed and any such failure shall not affect the validity of such Supplemental Indenture or indenture supplemental to a Supplemental Indenture when consented to and approved as provided in this Section 1102.

(d) Whenever, at any time within one (1) year after the date of the first mailing of such notice, there shall be delivered to the District an instrument or instruments in writing purporting to be executed by the Owners of the requisite principal amount of the Bonds of such Series then Outstanding, which instrument or instruments shall refer to the proposed Supplemental Indenture or indenture supplemental to a Supplemental Indenture described in such notice and shall specifically consent to and approve the execution thereof in substantially the form of the copy thereof referred to in such notice, thereupon, but not otherwise, the Governing Body and the Trustee may approve such Supplemental Indenture and cause it to be executed, in substantially such form, without liability or responsibility to any Owner.

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

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

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that nothing herein contained shall permit, or be construed as permitting, without the consent of all Owners of Bonds then Outstanding and affected by such supplement or amendment,

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

(b) In addition to the foregoing, the Majority Owners of any Series of Bonds then Outstanding shall have the right, from time to time, anything contained in this Master Indenture or in the Supplemental Indenture relating to such Series of Bonds to the contrary notwithstanding, to consent to and approve the adoption of such indentures supplemental to the Supplemental Indenture relating to such Series of Bonds or amendatory thereof, but not hereof, as shall be deemed desirable by the District for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the provisions of such Supplemental Indenture or of any indenture supplemental thereto; provided, however, that nothing herein contained shall permit, or be construed as permitting, without the consent of all Owners of Bonds of such Series then Outstanding and affected by such amendment,

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

(c) If at any time the District shall determine that it is desirable to approve any Supplemental Indenture pursuant to this Section 1102, the District shall cause the Trustee to mail, at the expense of the District, notice of the proposed approval to the Owners whose approval is required. Such notice shall be prepared by the District and shall briefly set forth the nature of the proposed Supplemental Indenture or indenture supplemental to a Supplemental Indenture and shall state that copies thereof are on file with the Secretary for inspection by all affected

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

(a) As long as a Credit Facility or Liquidity Facility securing all or a portion of the Bonds of a Series then Outstanding is in effect and the issuer thereof is not in default of any of its obligations under such Credit Facility or Liquidity Facility, as the case may be, the issuer of the Credit Facility or Liquidity Facility or the Insurer, to the extent so authorized in the applicable Supplemental Indenture, will be deemed to be the Owner of the Bonds of such Series secured by the Credit Facility or Liquidity Facility:

- (i) at all times for the purpose of the execution and delivery of a Supplemental Indenture or of any amendment, change or modification of the Master Indenture or the applicable Supplemental Indenture or the initiation by Owners of any action to be undertaken by the Trustee at the Owner's request, which under the Master Indenture or the applicable Supplemental Indenture requires the written approval or consent of or can be initiated by the Majority Owners of the Bonds of such Series then Outstanding;
- (ii) at all times for the purpose of the mailing of any notice to Owners under the Master Indenture or the applicable Supplemental Indenture; and
- (iii) following an Event of Default for all other purposes.

(b) Notwithstanding the foregoing, neither an Insurer nor the issuer of a Credit Facility or Liquidity Facility with respect to a Series of Bonds will be deemed to be an Owner of the Bonds of such Series with respect to any such Supplemental Indenture or of any amendment, change or modification of the Master Indenture which would have the effect of permitting:

- (i) a change in the terms of redemption or maturity of any Bonds of a Series then Outstanding or of any installment of interest thereon; or
- (ii) a reduction in the principal amount or the Redemption Price thereof or in rate of interest thereon; or
- (iii) reducing the percentage or otherwise affecting the classes of Bonds the consent of the Owners of which is required to effect any such modification or amendment; or
- (iv) creating any preference or priority of any Bond of a Series over any other Bond of such Series.

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**ARTICLE XII
DEFEASANCE**

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

(a) If the District pays or causes to be paid, or there shall otherwise be paid, to the Owners of all Bonds, the principal or Redemption Price, if applicable, and interest due or to become due thereon and the obligations under any Letter of Credit Agreement and any Liquidity Agreement, at the times and in the manner stipulated therein and in this Master Indenture and pays or causes to be paid all other moneys owing hereunder and under any Supplemental Indenture (including, without limitation the fees and expenses of the Trustee, including reasonable counsel fees and expenses), then the lien of this Master Indenture and all covenants, agreements and other obligations of the District to the Owners and the issuer of any Credit Facility or Liquidity Facility shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Trustee upon the request of the District shall execute and deliver to the District all such instruments as may be desirable to evidence such discharge and satisfaction, and the Trustee and the Paying Agent shall pay over or deliver, as directed by the District, all moneys or securities held by them pursuant to this Master Indenture which are not required for the payment of principal or Redemption Price, if applicable, on Bonds not theretofore surrendered for such payment or redemption or for payment of obligations under any Letter of Credit Agreement and any Liquidity Agreement. If the District pays or causes to be paid, or there shall otherwise be paid, to the Owners of all Bonds then Outstanding or of a particular maturity, of a particular Series or of any part of a particular maturity or Series, the principal or Redemption Price, if applicable, and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Master Indenture, such Bonds shall cease to be entitled to any lien, benefit or security under this Master Indenture, and all covenants, agreements and obligations of the District to the Owners of such Bonds shall thereupon cease, terminate and become void and be discharged and satisfied. Anything to the contrary in this Section 1201 notwithstanding, this Master Indenture shall not be discharged nor shall any Bonds with respect to which moneys or Federal Securities have been deposited in accordance with the provisions of this Section 1201 cease to be entitled to the lien, benefit or security under this Master Indenture, except to the extent that the lien, benefit and security of this Master Indenture and the obligations of the District hereunder shall be limited solely to and such Bonds shall be secured solely by and be payable solely from the moneys or Federal Securities so deposited.

(b) Bonds or interest installments for the payment or redemption of which moneys shall have been set aside and shall be held in trust by the Trustee (through deposit pursuant to this Master Indenture of funds for such payment or redemption or otherwise) at the maturity or redemption date thereof shall be deemed to have

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

(ii) to the extent such cash shall be required for such purpose at a later date, shall, to the extent practicable, be reinvested in Federal Securities maturing at times and in amounts sufficient to pay when due the principal or Redemption Price, if applicable, and interest to become due on such Bonds, or obligations under any Letter of Credit Agreement and any Liquidity Agreement, on or prior to such redemption date or maturity date thereof, as the case may be, and interest earned from such reinvestments shall be paid over as received by the Trustee to the District, free and clear of any lien, pledge or security interest securing such Bonds or otherwise existing under this Master Indenture.

For the purposes of this provision, Federal Securities means and includes only such securities which shall not be subject to redemption prior to their maturity other than at the option of the holder thereof.

(d) As to any Variable Rate Bonds, whether discharged and satisfied under the provisions of subsection (a) or (b) above, the amount required for the interest thereon shall be calculated at the maximum rate permitted by the terms of the provisions which authorized the issuance of such Variable Rate Bonds; provided, however, that if on any date, as a result of such Variable Rate Bonds having borne interest at less than such maximum rate for any period, the total amount of moneys and Investment Obligations on deposit for the payment of interest on such Variable Rate Bonds is in excess of the total amount which would have been required to be deposited on such date in respect of such Variable Rate Bonds in order to fully discharge and satisfy such Bonds and obligations under any Letter of Credit Agreement and any Liquidity Agreement pursuant to the provisions of this Section 1201, the District may use the amount of such excess free and clear of any trust, lien, security interest, pledge or assignment securing said Variable Rate Bonds or otherwise existing under this Master Indenture, any Letter of Credit Agreement or any Liquidity Agreement.

(e) Notwithstanding any of the provisions of this Master Indenture to the contrary, Option Bonds may only be fully discharged and satisfied either pursuant to subsection (a) above or by depositing in the Series Interest Account, the Series Principal Account, the Series Sinking Fund Account and the Series Redemption

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

(i) in case any of such Bonds are to be redeemed on any date prior to their maturity, the District shall have given to the Trustee or the Bond Registrar irrevocable instructions accepted in writing by the Trustee or the Bond Registrar to mail as provided in Article III hereof notice of redemption of such Bonds on such date;

(ii) there shall have been deposited with the Trustee either moneys in an amount which shall be sufficient, or Federal Securities, the principal of and the interest on which when due shall, as demonstrated in an Accountant's Certificate, provide moneys which, together with the moneys, if any, deposited with the Trustee at the same time, shall be sufficient, to pay when due the principal or Redemption Price, if applicable, and interest due and to become due on said Bonds on or prior to the redemption date or maturity date thereof, as the case may be;

(iii) the District shall have given the Trustee or the Bond Registrar in form satisfactory to it irrevocable instructions to mail, postage prepaid, to each registered Owner of Bonds then Outstanding at the address, if any, appearing upon the registration books of the District, a notice to the registered Owners of such Bonds and to the Bond Registrar that the deposit required by (ii) above has been made with the Trustee and that such Bonds are deemed to have been paid in accordance with this Section 1201 and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal or Redemption Price, if applicable, on such Bonds; and

(iv) an opinion of Bond Counsel to the effect that such defeasance is permitted under this Master Indenture and the Supplemental Indenture relating to the Series of Bonds so defeased and that, in the case of Tax-Exempt Bonds, such defeasance will not adversely affect the tax-exempt status of such Series of Bonds.

(c) Neither Federal Securities nor moneys deposited with the Trustee pursuant to this Section 1201 nor principal or interest payments on any such Federal Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal or Redemption Price, if applicable, and interest on such Bonds; provided that any cash received from such principal or interest payments on such Federal Securities deposited with the Trustee:

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Account, or in such other accounts which are irrevocably pledged to the payment of the Option Bonds, as the District may create and establish by Supplemental Indenture, moneys which together with other moneys lawfully available therefor shall be sufficient at the time of such deposit to pay when due the maximum amount of principal of and Redemption Price, if any, and interest on such Option Bonds which could become payable to the Owners of such Bonds upon the exercise of any options provided to the Owners of such Bonds; provided however, that if at the time a deposit is made pursuant to this subsection (e) the options originally exercisable by the Owner of an Option Bond are no longer exercisable, such Bond shall not be considered an Option Bond for purposes of this subsection (e). If any portion of the moneys deposited for the payment of the principal of and Redemption Price, if any, and interest on Option Bonds is not required for such purpose and is not needed to reimburse an Insurer or an issuer of any Credit Facility or Liquidity Facility, for obligations under any Letter of Credit Agreement and any Liquidity Agreement, the District may use the amount of such excess free and clear of any trust, lien, security interest, pledge or assignment securing such Option Bonds or otherwise existing under this Master Indenture, any Letter of Credit Agreement or any Liquidity Agreement.

(f) Anything in this Master Indenture to the contrary notwithstanding, any moneys held by the Trustee or any Paying Agent in trust for the payment and discharge of any of the Bonds which remain unclaimed for two (2) years after the date when such Bonds have become due and payable, either at their stated maturity dates or by call for earlier redemption, if such moneys were held by the Trustee or any Paying Agent at such date, or for two (2) years after the date of deposit of such moneys if deposited with the Trustee or Paying Agent after the date when such Bonds became due and payable, shall at the written request of the District be repaid by the Trustee or Paying Agent to the District, as its absolute property and free from trust, and the Trustee or Paying Agent shall thereupon be released and discharged with respect thereto and the Owners shall look only to the District for the payment of such Bonds; provided, however, that before being required to make any such payment to the District, the Trustee or Paying Agent shall, at the expense of the District, cause to be mailed, postage prepaid, to any Insurer or any issuer of any Credit Facility or Liquidity Facility, and to each registered Owner of Bonds then Outstanding at the address, if any, appearing upon the registration books of the District, a notice that such moneys remain unclaimed and that, after a date named in such notice, which date shall be not less than thirty (30) days after the date of the mailing of such notice, the balance of such moneys then unclaimed shall be returned to the District.

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

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(h) Anything in this Master Indenture to the contrary notwithstanding, the provisions of the foregoing subsections (b) through (g) shall apply to the discharge of Bonds of a Series and to the discharge of the lien of any Supplemental Indenture securing such Series of Bonds as though each reference to the "Master Indenture" were a reference to such "Supplemental Indenture" and as though each reference to "Bonds then Outstanding" were a reference to the "Bonds of such Series then Outstanding."

Section 1202. Moneys Held in Trust. All moneys and obligations held by an escrow or paying agent or trustee pursuant to this Section 1202 shall be held in trust and the principal and interest of said obligations when received, and said moneys, shall be applied to the payment, when due, of the principal, interest and premium, if any, of the Bonds to be paid or to be called for redemption.

**ARTICLE XIII
MISCELLANEOUS PROVISIONS**

Section 1301. Effect of Covenant. All covenants, stipulations, obligations and agreements of the District contained in this Master Indenture shall be deemed to be covenants, stipulations, obligations and agreements of the District and of the Governing Body of the District to the full extent authorized or permitted by law and all such covenants, stipulations, obligations and agreements shall bind or inure to the benefit of the successor or successors thereof from time to time and any officer, board, body or commission to whom or to which any power or duty affecting such covenants, stipulations, obligations and agreements shall be transferred by or in accordance with law.

Except as otherwise provided herein, all rights, powers and privileges conferred, and duties and liabilities imposed, upon the District or the Governing Body, by this Master Indenture shall be exercised or performed by the Governing Body, or by such other officers, board, body or commission as may be required by law to exercise such powers or to perform such duties.

No covenant, stipulation, obligation or agreement herein contained shall be deemed to be a covenant, stipulation, obligation or agreement of any member, agent or employee of the Governing Body in his or her individual capacity, and neither the members of the Governing Body nor any official executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

Section 1302. Manner of Giving Notice to the District and the Trustee. Any notice, demand, direction, request or other instrument authorized or required by this Master Indenture to be given to or filed with the District or the Governing Body or the Trustee shall be deemed to have been sufficiently given or

Section 1306. Further Acts; Counterparts. The officers and agents of the District are hereby authorized and directed to do all acts and things required of them by the Bonds and this Master Indenture, for the full, punctual and complete performance of all of the terms, covenants, provisions and agreements contained in the Bonds and this Master Indenture.

This Master Indenture and any Supplemental Indenture may be executed in duplicate counterparts each of which shall constitute one and the same agreement.

Section 1307. Headings Not Part of Indenture. Any headings preceding the texts of the several Articles and Sections hereof and any table of contents, marginal notes or footnotes appended to copies hereof shall be solely for convenience of reference and shall not constitute a part of this Master Indenture, nor shall they affect its meaning, construction or effect.

Section 1308. Effect of Partial Invalidity. In case any one or more of the provisions of this Master Indenture or of any Bonds shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Master Indenture or of the Bonds, but this Master Indenture and the Bonds shall be construed and enforced as if such illegal or invalid provision had not been contained therein. The Bonds are issued and this Master Indenture is adopted with the intent that the laws of the State shall govern their construction.

Section 1309. Attorneys' Fees. Any reference herein to the term "attorneys' fees," "counsel fees" or "legal fees" or words of like import shall include but not be limited to fees of legal assistants and paralegals and fees incurred in any and all legal proceedings, including any trial or appellate level proceedings, and any sales tax thereon.

[Remainder of Page Intentionally Left Blank]

filed for all purposes of this Master Indenture if and when sent by certified mail, return receipt requested:

To the District, addressed to:

West Villages Improvement District
c/o Special District Services, Inc.
2501A Burns Road
Palm Beach Gardens, Florida 33410

To the Trustee, addressed to:

U.S. Bank Trust Company, National Association
500 West Cypress Creek Road
Suite 460
Fort Lauderdale, Florida 33309
Attention: Corporate Trust Department

or to such other address as shall be provided to the other party hereto in writing.

All documents received by the District and the Trustee under this Master Indenture shall be retained in their possession, subject at all reasonable times to the inspection of any Owner and the agents and representatives thereof.

Section 1303. Manner of Giving Notice to the Owners. Any notice, demand, direction, request, or other instrument authorized or required by this Master Indenture to be mailed to the Owners shall be deemed to have been sufficiently mailed if mailed by first class mail, postage pre-paid, to the Owners at their addresses as they appear at the time of mailing on the registration books maintained by the Bond Registrar.

Section 1304. Successorship of District Officers. If the offices of Chairman or Secretary shall be abolished or any two or more of such offices shall be merged or consolidated, or in the event of a vacancy in any such office by reason of death, resignation, removal from office or otherwise, or in the event any such officer shall become incapable of performing the duties of his office by reason of sickness, absence from the District or otherwise, all powers conferred and all obligations and duties imposed upon such officer shall be performed by the officer succeeding to the principal functions thereof or by the officer upon whom such powers, obligations and duties shall be imposed by law.

Section 1305. Inconsistent Provisions. All provisions of any resolutions, and parts thereof, which are inconsistent with any of the provisions of this Master Indenture are hereby declared to be inapplicable to this Master Indenture.

Section 1310. Effective Date. This Master Indenture shall be effective as of the date first written above.

(SEAL)

**WEST VILLAGES IMPROVEMENT
DISTRICT**

By: _____
Chairman/Vice Chairman

ATTEST:

By: _____
Secretary/Assistant Secretary

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

By: _____
Vice President

EXHIBIT A

LEGAL DESCRIPTION OF UNIT OF DEVELOPMENT NO. 12

A TRACT OF LAND OF LYING IN SECTIONS 31 & 32, TOWNSHIP 29 SOUTH, RANGE 20 EAST AND SECTION 5, TOWNSHIP 40 SOUTH, RANGE 20 EAST, SARASOTA COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGIN AT THE SOUTHWEST CORNER OF TRACT 7 OF WELLEN PARK DOWNTOWN PHASE 1 RECORDED IN PLAT BOOK 54, PAGE 331 OF THE PUBLIC RECORDS OF SARASOTA COUNTY, FLORIDA; THENCE S.85°51'13"E, ALONG THE SOUTH LINE OF SAID TRACT 7, A DISTANCE OF 98.11 FEET TO THE POINT OF CURVATURE OF A NON-TANGENT CURVE TO THE RIGHT, HAVING A RADIUS OF 105.00 FEET AND A CENTRAL ANGLE OF 54°25'40"; THENCE SOUTHERLY, LEAVING SAID SOUTH LINE, ALONG THE ARC OF SAID CURVE, A DISTANCE OF 99.74 FEET, SAID CURVE HAVING A CHORD BEARING AND DISTANCE OF S.01°55'38"W., 96.04 FEET, TO THE POINT OF CURVATURE OF A REVERSE CURVE TO THE LEFT HAVING A RADIUS OF 75.00 FEET AND A CENTRAL ANGLE OF 126°37'57"; THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 165.76 FEET, TO THE POINT OF TANGENCY OF SAID CURVE; THENCE N.82°30'31"E., A DISTANCE OF 9.35 FEET TO A POINT OF CURVATURE OF A CURVE TO THE RIGHT HAVING A RADIUS OF 155.00 FEET AND A CENTRAL ANGLE OF 36°07'45"; THENCE EASTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 97.74 FEET, TO THE POINT OF TANGENCY OF SAID CURVE; THENCE S.61°21'43"E., A DISTANCE OF 26.42 FEET TO A POINT OF CURVATURE OF A CURVE TO THE LEFT HAVING A RADIUS OF 195.00 FEET AND A CENTRAL ANGLE OF 17°35'16"; THENCE EASTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 59.86 FEET, TO THE POINT OF CURVATURE OF A REVERSE CURVE TO THE RIGHT HAVING A RADIUS OF 475.00 FEET AND A CENTRAL ANGLE OF 07°43'23"; THENCE EASTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 64.03 FEET, TO THE END OF SAID CURVE; THENCE N.18°46'24"E. ALONG A LINE NON-TANGENT TO SAID CURVE, A DISTANCE OF 39.50 FEET TO A POINT OF CURVATURE OF A CURVE TO THE LEFT HAVING A RADIUS OF 40.00 FEET AND A CENTRAL ANGLE OF 29°18'58"; THENCE NORTHERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 20.47 FEET, TO THE POINT OF TANGENCY OF SAID CURVE; THENCE N.10°32'34"W., A DISTANCE OF 78.34 FEET TO A POINT OF CURVATURE OF A CURVE TO THE RIGHT HAVING A RADIUS OF 25.00 FEET AND A CENTRAL ANGLE OF 12°54'24"; THENCE NORTHERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 5.63 FEET, TO THE POINT OF CURVATURE OF A REVERSE CURVE TO THE LEFT HAVING A RADIUS OF 377.81 FEET AND A CENTRAL ANGLE OF 24°16'38"; THENCE NORTHERLY ALONG THE ARC OF SAID

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CURVE, A DISTANCE OF 90.26 FEET, TO THE POINT OF CURVATURE OF A REVERSE CURVE TO THE LEFT HAVING A RADIUS OF 59.00 FEET AND A CENTRAL ANGLE OF 47°10'03"; (10) THENCE NORTHERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 48.57 FEET, TO THE POINT OF CURVATURE OF A REVERSE CURVE TO THE RIGHT HAVING A RADIUS OF 196.00 FEET AND A CENTRAL ANGLE OF 29°08'24"; (11) THENCE NORTHWESTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 99.68 FEET, TO THE POINT OF CURVATURE OF A REVERSE CURVE TO THE LEFT HAVING A RADIUS OF 154.00 FEET AND A CENTRAL ANGLE OF 37°34'21"; (12) THENCE NORTHWESTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 100.99 FEET, TO THE POINT OF CURVATURE OF A REVERSE CURVE TO THE RIGHT HAVING A RADIUS OF 96.00 FEET AND A CENTRAL ANGLE OF 90°04'15"; (13) THENCE NORTHERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 150.91 FEET, TO THE POINT OF CURVATURE OF A REVERSE CURVE TO THE LEFT HAVING A RADIUS OF 438.00 FEET AND A CENTRAL ANGLE OF 63°20'25"; (14) THENCE NORTHERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 484.21 FEET, TO THE END OF SAID CURVE; THENCE N.62°48'14"E. ALONG A LINE NON-TANGENT TO SAID CURVE, A DISTANCE OF 89.55 FEET TO THE POINT OF CURVATURE OF A NON-TANGENT CURVE TO THE RIGHT, HAVING A RADIUS OF 300.00 FEET AND A CENTRAL ANGLE OF 02°39'53"; THENCE NORTHWESTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 13.95 FEET, SAID CURVE HAVING A CHORD BEARING AND DISTANCE OF N.25°51'50"W., 13.95 FEET, TO THE POINT OF CURVATURE OF A COMPOUND CURVE TO THE RIGHT HAVING A RADIUS OF 600.00 FEET AND A CENTRAL ANGLE OF 02°35'48"; THENCE NORTHWESTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 27.19 FEET, TO THE END OF SAID CURVE; THENCE N.28°46'42"E. ALONG A LINE NON-TANGENT TO SAID CURVE, A DISTANCE OF 68.30 FEET; THENCE N.31°25'41"E., A DISTANCE OF 52.59 FEET; THENCE N.39°50'18"E., A DISTANCE OF 51.87 FEET; THENCE N.38°22'55"E., A DISTANCE OF 74.39 FEET; THENCE N.16°31'25"E., A DISTANCE OF 42.39 FEET; THENCE N.11°39'16"E., A DISTANCE OF 55.61 FEET; THENCE N.49°43'42"E., A DISTANCE OF 38.04 FEET; THENCE N.28°42'35"E., A DISTANCE OF 16.66 FEET; THENCE N.11°07'03"W., A DISTANCE OF 30.44 FEET; THENCE N.43°38'28"E., A DISTANCE OF 63.15 FEET; THENCE N.34°01'32"E., A DISTANCE OF 80.87 FEET; THENCE N.84°03'35"E., A DISTANCE OF 56.80 FEET; THENCE N.62°31'55"E., A DISTANCE OF 61.17 FEET; THENCE N.86°30'02"E., A DISTANCE OF 56.57 FEET; THENCE N.87°54'57"E., A DISTANCE OF 44.39 FEET; THENCE S.76°02'53"E., A DISTANCE OF 48.86 FEET; THENCE S.39°57'56"E., A DISTANCE OF 48.60 FEET; THENCE S.72°01'56"E., A DISTANCE OF 42.00 FEET; THENCE S.50°11'21"E., A DISTANCE OF 49.78 FEET; THENCE S.88°14'48"E., A DISTANCE OF 34.11 FEET; THENCE S.70°19'11"E., A DISTANCE OF 24.70 FEET; THENCE

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CURVE, A DISTANCE OF 160.08 FEET, TO THE POINT OF CURVATURE OF A REVERSE CURVE TO THE RIGHT HAVING A RADIUS OF 159.00 FEET AND A CENTRAL ANGLE OF 67°14'07"; THENCE NORTHERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 186.58 FEET, TO THE POINT OF TANGENCY OF SAID CURVE; THENCE N.45°19'20"E., A DISTANCE OF 136.98 FEET TO A POINT OF CURVATURE OF A CURVE TO THE RIGHT HAVING A RADIUS OF 86.00 FEET AND A CENTRAL ANGLE OF 91°44'50"; THENCE EASTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 137.71 FEET, TO THE POINT OF CURVATURE OF A REVERSE CURVE TO THE LEFT HAVING A RADIUS OF 1,117.00 FEET AND A CENTRAL ANGLE OF 18°43'04"; THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 364.91 FEET, TO THE POINT OF CURVATURE OF A COMPOUND CURVE TO THE LEFT HAVING A RADIUS OF 120.00 FEET AND A CENTRAL ANGLE OF 65°58'08"; THENCE EASTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 138.16 FEET, TO THE POINT OF TANGENCY OF SAID CURVE; THENCE N.52°22'59"E., A DISTANCE OF 50.14 FEET TO A POINT OF CURVATURE OF A CURVE TO THE LEFT HAVING A RADIUS OF 61.00 FEET AND A CENTRAL ANGLE OF 84°57'31"; THENCE NORTHERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 90.45 FEET, TO THE END OF SAID CURVE; THE FOLLOWING FOURTEEN (14) CALLS ARE ALONG THE BOUNDARY LINE OF SAID TRACT 7 OF WELLEN PARK DOWNTOWN PHASE 1: (1) THENCE S.35°52'06"E. ALONG A LINE NON-TANGENT TO SAID CURVE, A DISTANCE OF 109.04 FEET TO A POINT OF CURVATURE OF A CURVE TO THE LEFT HAVING A RADIUS OF 44.00 FEET AND A CENTRAL ANGLE OF 81°09'10"; (2) THENCE EASTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 62.32 FEET, TO THE POINT OF TANGENCY OF SAID CURVE; (3) THENCE N.62°58'44"E., A DISTANCE OF 59.37 FEET TO A POINT OF CURVATURE OF A CURVE TO THE LEFT HAVING A RADIUS OF 44.00 FEET AND A CENTRAL ANGLE OF 77°51'48"; (4) THENCE NORTHEASTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 59.79 FEET, TO THE POINT OF TANGENCY OF SAID CURVE; (5) THENCE N.14°53'03"W., A DISTANCE OF 103.89 FEET TO A POINT OF CURVATURE OF A CURVE TO THE RIGHT HAVING A RADIUS OF 82.00 FEET AND A CENTRAL ANGLE OF 80°41'12"; (6) THENCE NORTHEASTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 115.48 FEET, TO THE POINT OF TANGENCY OF SAID CURVE; (7) THENCE N.65°48'08"E., A DISTANCE OF 294.24 FEET TO THE POINT OF CURVATURE OF A NON-TANGENT CURVE TO THE LEFT, HAVING A RADIUS OF 68.00 FEET AND A CENTRAL ANGLE OF 117°31'30"; (8) THENCE NORTHERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 139.48 FEET, SAID CURVE HAVING A CHORD BEARING AND DISTANCE OF N.07°03'19"E., 116.28 FEET, TO THE POINT OF CURVATURE OF A REVERSE CURVE TO THE RIGHT HAVING A RADIUS OF 97.00 FEET AND A CENTRAL ANGLE OF 53°18'51"; (9) THENCE NORTHWESTERLY ALONG THE ARC OF SAID

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N.36°17'44"E., A DISTANCE OF 29.26 FEET; THENCE S.78°35'14"E., A DISTANCE OF 53.83 FEET; THENCE S.72°01'51"E., A DISTANCE OF 42.79 FEET; THENCE N.40°24'06"E., A DISTANCE OF 22.53 FEET; THENCE N.75°44'30"E., A DISTANCE OF 72.75 FEET; THENCE S.78°07'11"E., A DISTANCE OF 48.11 FEET; THENCE N.49°58'58"E., A DISTANCE OF 14.80 FEET; THENCE N.14°48'01"E., A DISTANCE OF 46.22 FEET; THENCE N.79°23'10"E., A DISTANCE OF 63.56 FEET; THENCE N.50°32'03"E., A DISTANCE OF 59.55 FEET; THENCE N.30°55'22"E., A DISTANCE OF 62.09 FEET; THENCE S.82°02'22"E., A DISTANCE OF 91.19 FEET; THENCE S.11°36'24"E., A DISTANCE OF 88.00 FEET; THENCE S.00°18'02"W., A DISTANCE OF 96.39 FEET; THENCE S.04°02'45"W., A DISTANCE OF 8.34 FEET; THENCE N.88°45'02"E., A DISTANCE OF 8.73 FEET; THENCE S.40°57'08"E., A DISTANCE OF 73.63 FEET; THENCE S.24°26'17"W., A DISTANCE OF 62.94 FEET TO A POINT ON THE NORTHERLY LINE OF PARCEL 771 RECORDED IN OFFICIAL INSTRUMENT NUMBER 2009155882 OF SAID PUBLIC RECORDS, ALSO BEING THE POINT OF CURVATURE OF A NON-TANGENT CURVE TO THE LEFT, HAVING A RADIUS OF 390.00 FEET AND A CENTRAL ANGLE OF 00°24'02"; THE FOLLOWING THREE (3) CALLS ARE ALONG THE NORTHERLY LINE OF PARCEL 771 AND ITS EASTERLY EXTENSION: (1) THENCE EASTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 2.73 FEET, SAID CURVE HAVING A CHORD BEARING AND DISTANCE OF N.70°16'26"E., 2.73 FEET, TO THE POINT OF CURVATURE OF A REVERSE CURVE TO THE RIGHT HAVING A RADIUS OF 57.76 FEET AND A CENTRAL ANGLE OF 20°25'58"; (2) THENCE EASTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 20.60 FEET, TO THE POINT OF TANGENCY OF SAID CURVE; (3) THENCE S.89°29'37"E., A DISTANCE OF 105.16 FEET TO A POINT ON THE WEST RIGHT-OF-WAY LINE OF WEST VILLAGES PARKWAY (VARIABLE WIDTH RIGHT-OF-WAY), AS RECORDED IN OFFICIAL RECORDS INSTRUMENT NUMBER 2009155882 OF SAID PUBLIC RECORDS; THENCE S.00°30'25"W. ALONG SAID WEST RIGHT-OF-WAY LINE, A DISTANCE OF 1,340.70 FEET TO THE NORTHEAST CORNER OF MAIN STREET RANGLANDS PLAT NO. 3 RECORDED IN PLAT BOOK 56, PAGE 252 OF SAID PUBLIC RECORDS; THE FOLLOWING ELEVEN (11) CALLS ARE ALONG THE BOUNDARY OF SAID MAIN STREET RANGLANDS PLAT NO. 3: (1) THENCE N.89°55'18"W., A DISTANCE OF 521.43 FEET; (2) THENCE S.00°03'01"W., A DISTANCE OF 117.25 FEET; (3) THENCE S.42°56'28"W., A DISTANCE OF 147.30 FEET; (4) THENCE S.02°54'04"E., A DISTANCE OF 107.82 FEET TO THE POINT OF CURVATURE OF A NON-TANGENT CURVE TO THE RIGHT, HAVING A RADIUS OF 646.08 FEET AND A CENTRAL ANGLE OF 06°38'39"; (5) THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 74.92 FEET, SAID CURVE HAVING A CHORD BEARING AND DISTANCE OF S.33°36'20"E., 74.88 FEET, TO THE END OF SAID CURVE; (6) THENCE S.30°08'32"E. ALONG A LINE NON-TANGENT TO SAID CURVE, A DISTANCE

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OF 188.12 FEET TO THE POINT OF CURVATURE OF A NON-TANGENT CURVE TO THE LEFT, HAVING A RADIUS OF 556.31 FEET AND A CENTRAL ANGLE OF 07°48'59"; (7) THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 75.89 FEET, SAID CURVE HAVING A CHORD BEARING AND DISTANCE OF S.34°12'30"E., 75.83 FEET, TO THE POINT OF CURVATURE OF A NON-TANGENT CURVE TO THE LEFT, HAVING A RADIUS OF 535.13 FEET AND A CENTRAL ANGLE OF 11°57'38"; (8) THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 111.71 FEET, SAID CURVE HAVING A CHORD BEARING AND DISTANCE OF S.43°47'43"E., 111.51 FEET, TO THE POINT OF CURVATURE OF A NON-TANGENT CURVE TO THE LEFT, HAVING A RADIUS OF 613.28 FEET AND A CENTRAL ANGLE OF 07°26'55"; (9) THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 79.73 FEET, SAID CURVE HAVING A CHORD BEARING AND DISTANCE OF S.53°38'30"E., 79.67 FEET, TO THE POINT OF CURVATURE OF A NON-TANGENT CURVE TO THE LEFT, HAVING A RADIUS OF 566.40 FEET AND A CENTRAL ANGLE OF 12°44'12"; (10) THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 125.91 FEET, SAID CURVE HAVING A CHORD BEARING AND DISTANCE OF S.64°30'22"E., 125.65 FEET, TO THE POINT OF CURVATURE OF A NON-TANGENT CURVE TO THE LEFT, HAVING A RADIUS OF 546.49 FEET AND A CENTRAL ANGLE OF 17°31'34"; (11) THENCE EASTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 167.16 FEET, SAID CURVE HAVING A CHORD BEARING AND DISTANCE OF S.79°35'01"E., 166.51 FEET, TO A POINT ON THE WEST RIGHT-OF-WAY LINE OF WEST VILLAGES PARKWAY (VARIABLE WIDTH RIGHT-OF-WAY) AS RECORDED IN OFFICIAL RECORDS INSTRUMENT NUMBER 2010135760 OF SAID PUBLIC RECORDS; THE FOLLOWING SIX (6) CALLS ARE ALONG SAID WEST RIGHT-OF-WAY LINE: (1) THENCE S.00°30'25"W., A DISTANCE OF 35.66 FEET; (2) THENCE N.85°55'11"W., A DISTANCE OF 40.43 FEET; (3) HENCE S.04°20'24"W., A DISTANCE OF 21.35 FEET; (4) THENCE S.85°39'36"E., A DISTANCE OF 25.83 FEET TO A POINT OF CURVATURE OF A CURVE TO THE RIGHT HAVING A RADIUS OF 30.00 FEET AND A CENTRAL ANGLE OF 86°10'01"; (5) THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 45.12 FEET, TO THE POINT OF TANGENCY OF SAID CURVE; (6) THENCE S.00°30'25"W., A DISTANCE OF 66.39 FEET TO THE POINT OF CURVATURE OF A NON-TANGENT CURVE TO THE RIGHT, HAVING A RADIUS OF 804.94 FEET AND A CENTRAL ANGLE OF 20°52'58"; (7) THENCE SOUTHERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 293.38 FEET, SAID CURVE HAVING A CHORD BEARING AND DISTANCE OF S.11°00'03"W., 291.76 FEET, TO THE POINT OF CURVATURE OF A REVERSE CURVE TO THE LEFT HAVING A RADIUS OF 1,221.36 FEET AND A CENTRAL ANGLE OF 18°39'03"; (8) THENCE SOUTHERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 397.57 FEET, TO THE END OF SAID CURVE; (9) THENCE S.00°44'16"W. ALONG A

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END OF SAID CURVE; THE FOLLOWING TWO (2) CALLS ARE ALONG THE NORTH BOUNDARY LINE OF SAID ISLANDWALK AT WEST VILLAGES, PHASE 5: (1) THENCE N.89°05'35"W., A DISTANCE OF 1,251.87 FEET; (2) THENCE S.89°54'47"W., A DISTANCE OF 259.05 FEET; THENCE N.00°14'53"E. ALONG THE EAST BOUNDARY LINE OF ISLANDWALK AT THE WEST VILLAGES, PHASE 1C RECORDED IN PLAT BOOK 47, PAGE 22 OF SAID PUBLIC RECORDS AND ISLANDWALK AT THE WEST VILLAGES, PHASE 1B RECORDED IN PLAT BOOK 46, PAGE 10 OF SAID PUBLIC RECORDS AND ISLANDWALK AT THE WEST VILLAGES, PHASE 1B RECORDED IN PLAT BOOK 45, PAGE 37 OF SAID PUBLIC RECORDS, A DISTANCE OF 3,303.16 FEET; THENCE N.90°00'00"E., A DISTANCE OF 116.11 FEET TO A POINT OF CURVATURE OF A CURVE TO THE LEFT HAVING A RADIUS OF 35.00 FEET AND A CENTRAL ANGLE OF 139°53'27"; THENCE NORTHERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 85.45 FEET, TO THE POINT OF TANGENCY OF SAID CURVE; THENCE N.49°53'27"W., A DISTANCE OF 19.50 FEET TO A POINT OF CURVATURE OF A CURVE TO THE RIGHT HAVING A RADIUS OF 25.00 FEET AND A CENTRAL ANGLE OF 77°28'57"; THENCE NORTHERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 33.81 FEET, TO THE POINT OF TANGENCY OF SAID CURVE; THENCE N.27°35'30"E., A DISTANCE OF 53.06 FEET; THENCE N.05°05'22"E., A DISTANCE OF 60.44 FEET TO A POINT OF CURVATURE OF A CURVE TO THE RIGHT HAVING A RADIUS OF 25.00 FEET AND A CENTRAL ANGLE OF 25°39'07"; THENCE NORTHERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 11.19 FEET, TO THE POINT OF TANGENCY OF SAID CURVE; THENCE N.30°44'29"E., A DISTANCE OF 87.96 FEET TO A POINT OF CURVATURE OF A CURVE TO THE RIGHT HAVING A RADIUS OF 25.00 FEET AND A CENTRAL ANGLE OF 59°09'26"; THENCE NORTHEASTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 25.81 FEET, TO THE POINT OF TANGENCY OF SAID CURVE; THENCE N.89°53'54"E., A DISTANCE OF 70.35 FEET; THENCE N.51°24'06"E., A DISTANCE OF 139.73 FEET TO A POINT ON THE WESTERLY RIGHT-OF-WAY LINE OF PRETO BOULEVARD (VARIABLE WIDTH RIGHT-OF-WAY) PER OFFICIAL RECORDS INSTRUMENT NUMBER 2020005361 OF SAID PUBLIC RECORDS, ALSO BEING THE POINT OF CURVATURE OF A NON-TANGENT CURVE TO THE RIGHT, HAVING A RADIUS OF 630.00 FEET AND A CENTRAL ANGLE OF 05°43'51"; THE FOLLOWING SEVEN (7) CALLS ARE ALONG SAID WESTERLY RIGHT-OF-WAY LINE OF PRETO BOULEVARD: (1) THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 63.01 FEET, SAID CURVE HAVING A CHORD BEARING AND DISTANCE OF S.50°43'55"E., 62.99 FEET, TO THE POINT OF TANGENCY OF SAID CURVE; (2) THENCE S.47°52'00"E., A DISTANCE OF 684.51 FEET TO A POINT OF CURVATURE OF A CURVE TO THE RIGHT HAVING A RADIUS OF 630.00 FEET AND A CENTRAL ANGLE OF 20°21'07"; (3) THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 223.78 FEET, TO THE

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LINE NON-TANGENT TO SAID CURVE, A DISTANCE OF 9.72 FEET; THE FOLLOWING TWO (2) CALLS ARE ALONG THE WEST RIGHT-OF-WAY LINE OF SAID WEST VILLAGES PARKWAY PER OFFICIAL RECORDS INSTRUMENT NUMBER 2019011093 OF SAID PUBLIC RECORDS: (1) THENCE S.14°31'49"W., A DISTANCE OF 54.36 FEET; (2) THENCE S.00°30'33"W., A DISTANCE OF 176.46 FEET TO THE POINT OF CURVATURE OF A CURVE TO THE RIGHT, HAVING A RADIUS OF 25.00 FEET AND A CENTRAL ANGLE OF 90°00'01"; THE FOLLOWING FOUR (4) CALLS ARE ALONG THE NORTH RIGHT-OF-WAY LINE OF PLAYMORE ROAD (VARIABLE WIDTH RIGHT-OF-WAY) PER SAID OFFICIAL RECORDS INSTRUMENT NUMBER 2019011093: (1) THENCE SOUTHWESTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 39.27 FEET, TO THE POINT OF TANGENCY OF SAID CURVE; (2) THENCE N.89°29'27"W., A DISTANCE OF 295.43 FEET TO THE POINT OF CURVATURE OF A NON-TANGENT CURVE TO THE LEFT, HAVING A RADIUS OF 759.00 FEET AND A CENTRAL ANGLE OF 41°12'44"; (3) THENCE WESTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 545.94 FEET, SAID CURVE HAVING A CHORD BEARING AND DISTANCE OF S.69°54'14"W., 534.25 FEET, TO THE POINT OF CURVATURE OF A REVERSE CURVE TO THE RIGHT HAVING A RADIUS OF 631.00 FEET AND A CENTRAL ANGLE OF 42°42'08"; (4) THENCE WESTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 470.28 FEET, TO THE POINT OF TANGENCY OF SAID CURVE; THE FOLLOWING THREE (3) CALLS ARE ALONG THE NORTH LINE OF SAID PLAYMORE ROAD PER OFFICIAL RECORDS INSTRUMENT NUMBER 2007188871 OF SAID PUBLIC RECORDS: (1) THENCE N.88°00'00"W., A DISTANCE OF 949.71 FEET TO A POINT OF CURVATURE OF A CURVE TO THE RIGHT HAVING A RADIUS OF 1,082.00 FEET AND A CENTRAL ANGLE OF 37°00'06"; (2) THENCE WESTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 698.76 FEET, TO THE POINT OF CURVATURE OF A REVERSE CURVE TO THE LEFT HAVING A RADIUS OF 1,210.00 FEET AND A CENTRAL ANGLE OF 23°17'32"; (3) THENCE NORTHWESTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 491.90 FEET, TO THE POINT OF TANGENCY OF SAID CURVE; THENCE CONTINUE WESTERLY ALONG SAID CURVE AND ALONG THE NORTH LINE OF SAID PLAYMORE ROAD PER OFFICIAL RECORDS INSTRUMENT NUMBER 2013134805 OF SAID PUBLIC RECORDS, HAVING A RADIUS OF 1,210.00 FEET AND A CENTRAL ANGLE OF 12°41'08", A DISTANCE OF 267.90 FEET, TO A POINT ON THE EAST BOUNDARY LINE OF ISLANDWALK AT WEST VILLAGES, PHASE 5 RECORDED IN PLAT BOOK 51, PAGE 190 OF SAID PUBLIC RECORDS, ALSO BEING THE POINT OF CURVATURE OF A NON-TANGENT CURVE TO THE RIGHT, HAVING A RADIUS OF 2,999.79 FEET AND A CENTRAL ANGLE OF 01°46'15"; THENCE NORTHERLY ALONG THE ARC OF SAID CURVE AND ALONG SAID EAST BOUNDARY LINE, A DISTANCE OF 92.71 FEET, SAID CURVE HAVING A CHORD BEARING AND DISTANCE OF N.17°10'20"E., 92.70 FEET, TO THE

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POINT OF CURVATURE OF A REVERSE CURVE TO THE LEFT HAVING A RADIUS OF 760.00 FEET AND A CENTRAL ANGLE OF 28°53'12"; (4) THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 383.17 FEET, TO THE POINT OF TANGENCY OF SAID CURVE; (5) THENCE S.56°24'04"E., A DISTANCE OF 787.81 FEET TO A POINT OF CURVATURE OF A CURVE TO THE RIGHT HAVING A RADIUS OF 470.00 FEET AND A CENTRAL ANGLE OF 60°32'51"; (6) THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 496.68 FEET, TO THE POINT OF TANGENCY OF SAID CURVE; (7) THENCE S.04°08'47"W., A DISTANCE OF 765.12 FEET; THENCE S.85°51'13"E., A DISTANCE OF 130.00 FEET TO THE POINT OF BEGINNING.

CONTAINING 13,949,733 SQUARE FEET OR 320.2418 ACRES, MORE OR LESS.

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EXHIBIT B
FORM OF REQUISITION

The undersigned, an Authorized Officer of West Villages Improvement District (the "District") hereby submits the following requisition for disbursement under and pursuant to the terms of the Master Trust Indenture between the District and U.S. Bank Trust Company, National Association, Fort Lauderdale, Florida, as trustee (the "Trustee"), dated as of April 1, 2025, as amended and supplemented by the [] Supplemental Trust Indenture between the District and the Trustee, dated as of [] (collectively, the "Indenture"). All capitalized terms used herein shall have the meaning ascribed to such term in the Indenture.

(A) Requisition Number:

(B) Name of Payee:

(C) Amount Payable:

(D) Purpose for which paid or incurred (refer also to specific contract if amount is due and payable pursuant to a contract involving progress payments or state costs of issuance, if applicable):

(E) Fund, Account or subaccount from which disbursement is to be made:

The undersigned hereby certifies that:

obligations in the stated amount set forth above have been incurred by the District, that each disbursement set forth above is a proper charge against the [] Acquisition and Construction Account and the subaccount, if any, referenced above, that each disbursement set forth above was incurred in connection with the acquisition and/or construction of the [] Project and each represents a Cost of the [] Project, and has not previously been paid out of such Account or subaccount;

OR

this requisition is for costs of issuance payable from the [] Costs of Issuance Account that has not previously been paid out of such Account.

The undersigned hereby further certifies that there has not been filed with or served upon the District notice of any lien, right to lien, or attachment upon, or claim affecting the right to receive payment of, any of the moneys payable to the Payee set forth above, which has not been released or will not be released simultaneously with the payment hereof.

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The undersigned hereby further certifies that such requisition contains no item representing payment on account of any retained percentage which the District is at the date of such certificate entitled to retain.

Originals or copies of the invoice(s) from the contractor of the improvements acquired or services rendered (or other equivalent supporting documents) with respect to which disbursement is hereby requested are on file with the District.

**WEST VILLAGES
IMPROVEMENT DISTRICT**

By: _____
Authorized Officer

**CONSULTING ENGINEER'S APPROVAL FOR
NON-COST OF ISSUANCE REQUESTS ONLY**

If this requisition is for a disbursement from other than the [] Costs of Issuance Account, the undersigned Consulting Engineer hereby certifies that this disbursement is for a Cost of the [] Project and is consistent with (i) the applicable acquisition or construction contract, (ii) the plans and specifications for the portion of the [] Project with respect to which such disbursement is being made, and (iii) the report of the Consulting Engineer attached as an Exhibit to the [] Supplemental Indenture, as such report shall have been amended or modified on the date hereof.

Consulting Engineer

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

FIRST SUPPLEMENTAL TRUST INDENTURE

BETWEEN

WEST VILLAGES IMPROVEMENT DISTRICT

AND

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, AS TRUSTEE

UNIT OF DEVELOPMENT NO. 12

Dated as of April 1, 2025

§[Bond Amount] Capital Improvement Revenue Bonds (Unit of Development No. 12), Series 2025 (Assessment Area One)

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FIRST SUPPLEMENTAL TRUST INDENTURE

THIS FIRST SUPPLEMENTAL TRUST INDENTURE (this "First Supplemental Indenture") is dated as of April 1, 2025, between WEST VILLAGES IMPROVEMENT DISTRICT (the "District") and U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, as trustee (the "Trustee"), a national banking association, authorized to accept and execute trusts of the character herein set forth, with its designated corporate trust office located at 500 West Cypress Creek Road, Suite 460, Fort Lauderdale, Florida 33309, Attention: Corporate Trust Department.

WHEREAS, the District entered into a Master Trust Indenture, dated as of April 1, 2025 (the "Master Indenture" and together with this First Supplemental Indenture, the "Indenture") with the Trustee to secure the issuance of its West Villages Improvement District Capital Improvement Revenue Bonds (Unit of Development No. 12) (the "Bonds"), issuable in one or more Series from time to time; and

WHEREAS, pursuant to Resolution No. 2025-08, adopted by the Governing Body of the District on January 9, 2025, the District has authorized the issuance, sale and delivery of not to exceed \$81,000,000 of Bonds, to be issued in one or more Series of Bonds as authorized under the Master Indenture, which Bonds were validated by final judgment of the Twelfth Judicial Circuit of Florida, in and for Sarasota County on March 3, 2025, the appeal period for which expired with no appeal having been taken; and

WHEREAS, the Governing Body of the District duly adopted Resolution No. 2025-06, on January 9, 2025, providing for the acquisition, construction and installation of assessable capital improvements (the "Capital Improvement Plan"), providing estimated Costs of the Capital Improvement Plan, defining assessable property to be benefited by the Capital Improvement Plan, defining the portion of the Costs of the Capital Improvement Plan with respect to which Assessments will be imposed and the manner in which such Assessments shall be levied against such benefited property within Unit No. 12, directing the preparation of an assessment roll, and stating the intent of the District to issue Bonds of the District secured by such Assessments to finance the Costs of the acquisition, construction and installation of the Capital Improvement Plan and the Governing Body of the District duly adopted Resolution No. 2025-10, on February 13, 2025, following a public hearing conducted in accordance with the Act, to fix and establish the Assessments and the benefited property; and

WHEREAS, pursuant to Resolution No. 2025-12, adopted by the Governing Body of the District on March 7, 2025, the District has authorized the issuance, sale and delivery of, among other things, its §[Bond Amount] West Villages Improvement District Capital Improvement Revenue Bonds (Unit of Development No. 12), Series 2025 (Assessment Area One) (the "Series 2025 Bonds"), which are issued hereunder as an issue of Bonds under the Master Indenture, and has authorized the execution

and delivery of the Master Indenture and this First Supplemental Indenture to secure the issuance of the Series 2025 Bonds and to set forth the terms of the Series 2025 Bonds; and

WHEREAS, the District will apply the proceeds of the Series 2025 Bonds to (a) finance a portion of the Cost of acquiring, constructing and equipping assessable improvements comprising the Assessment Area One Project (as defined herein), (b) pay certain costs associated with the issuance of the Series 2025 Bonds, and (c) make a deposit into the Series 2025 Reserve Account to be held for the benefit of all of the Series 2025 Bonds; and

WHEREAS, the Series 2025 Bonds will be payable from and secured in part by revenues derived from Assessments imposed, levied and collected by the District in accordance with the Series 2025 Assessment Proceedings (as defined herein) with respect to property specially benefited by the Assessment Area One Project (the "Series 2025 Assessments"); and

WHEREAS, the execution and delivery of the Series 2025 Bonds and of this First Supplemental Indenture have been duly authorized by the Governing Body of the District and all things necessary to make the Series 2025 Bonds, when executed by the District and authenticated by the Trustee, valid and binding legal obligations of the District and to make this First Supplemental Indenture a valid and binding agreement and, together with the Master Indenture, a valid and binding lien on the Series 2025 Trust Estate (hereinafter defined) have been done;

NOW THEREFORE, KNOW ALL MEN BY THESE PRESENTS, THIS FIRST SUPPLEMENTAL INDENTURE WITNESSETH:

That the District, in consideration of the premises, the acceptance by the Trustee of the trusts hereby created, the mutual covenants herein contained, the purchase and acceptance of the Series 2025 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 2025 Bonds Outstanding from time to time, according to their tenor and effect, and such other payments required to be made under the Master Indenture or hereunder, and to further secure the observance and performance by the District of all the covenants, expressed or implied in the Master Indenture, in this First Supplemental Indenture and in the Series 2025 Bonds (a) has executed and delivered this First Supplemental Indenture and (b) does hereby, in confirmation of the Master Indenture, grant, bargain, sell, convey, transfer, assign and pledge unto the Trustee, and unto its successors in the trusts established under the Master Indenture, and to them and their successors and assigns forever, all right, title and interest of the District, in, to and under, subject to the terms and conditions of the Master Indenture and the provisions of the Master Indenture pertaining to the application thereof for or to the purposes and on the terms set forth in the Master Indenture, the revenues derived by the District from

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**ARTICLE I
DEFINITIONS**

Section 101. Definitions. All terms used herein that are defined in the recitals hereto are used with the same meaning herein unless the context clearly requires otherwise. All terms used herein that are defined in the Master Indenture are used with the same meaning herein (including the use of such terms in the recitals hereto and the granting clauses hereof) unless (a) expressly given a different meaning herein or (b) the context clearly requires otherwise. In addition, unless the context clearly requires otherwise, the following terms used herein shall have the following meanings:

"Arbitrage Certificate" shall mean the Certificate as to Arbitrage and Certain Other Tax Matters of the District dated as of [Closing Date].

"Assessment Area One" shall mean the 181 platted lots within the Oakbend community and the approximately 69.6 gross acres within the Bexley community, both located within Unit No. 12 and planned to contain a total of 366 residential units, as more fully described in the Engineer's Report and the Assessment Methodology.

"Assessment Area One Project" shall mean that portion of the Capital Improvement Plan to be financed in part with the proceeds of the Series 2025 Bonds on deposit in the Series 2025 Acquisition and Construction Account, as more particularly described in the Engineer's Report.

"Assessment Methodology" shall mean the Master Special Assessment Methodology Report, Unit of Development No. 12, dated January 9, 2025, as supplemented by the Final First Supplemental Special Assessment Methodology Report, dated April [], 2025, each prepared by the Methodology Consultant.

"Authorized Denomination" shall mean, with respect to the Series 2025 Bonds, on the date of issuance, the denomination of \$5,000 and any integral multiple thereof; provided, however, if any initial Beneficial Owner does not purchase at least \$100,000 of the Series 2025 Bonds at the time of initial delivery of the Series 2025 Bonds, such Beneficial Owner must either execute and deliver to the District and the Underwriter on the date of delivery of the Series 2025 Bonds an investor letter substantially in the form attached hereto as Exhibit D or otherwise establish to the satisfaction of the Underwriter that such Beneficial Owner is an "accredited investor," as described in Rule 501(a) under Regulation D of the Securities Act of 1933, as amended.

"Beneficial Owners" shall have the meaning given such term by DTC so long as it is the registered Owner through its Nominee, Cede & Co., of the Series 2025 Bonds as to which such reference is made to enable such Series 2025 Bonds to be held in book-entry only form, and shall otherwise mean the registered Owner on the registration books of the District maintained by the Bond Registrar.

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the Series 2025 Assessments (the "Series 2025 Pledged Revenues") and the Funds and Accounts (except for the Series 2025 Rebate Account) established hereby (the "Series 2025 Pledged Funds") which shall constitute the Trust Estate securing the Series 2025 Bonds (the "Series 2025 Trust Estate");

TO HAVE AND TO HOLD all the same by the Master Indenture granted, bargained, sold, conveyed, transferred, assigned and pledged, or agreed or intended so to be, to the Trustee and its successors in said trust and to it and its assigns forever;

IN TRUST NEVERTHELESS, except as in each such case may otherwise be provided in the Master Indenture, upon the terms and trusts in the Indenture set forth for the equal and proportionate benefit, security and protection of all and singular the present and future Owners of the Series 2025 Bonds issued or to be issued under and secured by this First Supplemental Indenture, without preference, priority or distinction as to lien or otherwise, of any one Series 2025 Bond over any other Series 2025 Bond by reason of priority in their issue, sale or execution;

PROVIDED HOWEVER, that if the District, its successors or assigns, shall well and truly pay, or cause to be paid, or make due provision for the payment of the principal and Redemption Price of the Series 2025 Bonds or any Series 2025 Bond of a particular maturity issued, secured and Outstanding under this First Supplemental Indenture and the interest due or to become due thereon, at the times and in the manner mentioned in the Series 2025 Bonds and this First Supplemental Indenture, according to the true intent and meaning thereof, and shall well and truly keep, perform and observe all the covenants and conditions pursuant to the terms of the Master Indenture and this First Supplemental Indenture to be kept, performed and observed by it, and shall pay or cause to be paid to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions of the Master Indenture and this First Supplemental Indenture, then upon such final payments, this First Supplemental Indenture and the rights hereby granted shall cease and terminate, with respect to all Series 2025 Bonds or any Series 2025 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 2025 Bonds issued and secured hereunder are to be issued, authenticated and delivered and all of the rights and property pledged to the payment thereof are to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as expressed in the Master Indenture (except as amended directly or by implication by this First Supplemental Indenture) and this First Supplemental Indenture, and the District has agreed and covenanted, and does hereby agree and covenant, with the Trustee and with the respective Owners, from time to time, of the Series 2025 Bonds, as follows:

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"Bond Depository" shall mean the securities depository from time to time under Section 201 hereof, which may be the District.

"Bond Participants" shall mean those broker-dealers, banks and other financial institutions from time to time for which the Bond Depository holds Series 2025 Bonds as securities depository.

"Collateral Assignment" shall mean the Collateral Assignment and Assumption of Development Rights Relating to Unit of Development No. 12 – Series 2025 Bonds (Assessment Area One Project) between the District and the Developer, dated as of [Closing Date].

"Completion Agreement" shall mean the Agreement Between the West Villages Improvement District and Main Street Ranchlands, LLLP Regarding the Completion of Certain Improvements Unit of Development No. 12 – Series 2025 Bonds (Assessment Area One Project), dated as of [Closing Date].

"Continuing Disclosure Agreement" shall mean the Continuing Disclosure Agreement, by and among the District, the Developer and Special District Services, Inc., as dissemination agent, dated as of [Closing Date].

"Delinquent Assessment Interest" shall mean Series 2025 Assessment Interest deposited by the District with the Trustee on or after May 1 of the year in which such Series 2025 Assessment Interest has, or would have, become delinquent under State law or the Series 2025 Assessment Proceedings applicable thereto.

"Delinquent Assessment Principal" shall mean Series 2025 Assessment Principal deposited by the District with the Trustee on or after May 1 of the year in which such Series 2025 Assessment Principal has, or would have, become delinquent under State law or the Series 2025 Assessment Proceedings applicable thereto.

"Delinquent Assessments" shall mean, collectively, Delinquent Assessment Principal and Delinquent Assessment Interest.

"Developer" shall mean Main Street Ranchlands, LLLP, a Florida limited liability limited partnership.

"Engineer's Report" shall mean the West Villages Improvement District Unit of Development No. 12 Master Engineer's Report, dated January 9, 2025, prepared by Dewberry Engineers Inc., a copy of which is attached hereto as Exhibit A.

"Interest Payment Date" shall mean each May 1 and November 1, commencing November 1, 2025.

"Majority Owners" shall mean the Beneficial Owners of more than fifty percent (50%) in principal amount of the Outstanding Series 2025 Bonds.

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"Methodology Consultant" shall mean Special District Services, Inc.

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

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

"Redemption Date" shall mean a Quarterly Redemption Date in the case of a partial redemption of Outstanding Series 2025 Bonds, or any date in the case of the redemption of all of the Outstanding Series 2025 Bonds.

"Reserve Account Release Conditions #1" shall mean, collectively, that (a) all lots subject to the Series 2025 Assessments have been developed, platted, and closed with homebuilders and (b) there are no Events of Default occurring or continuing under the Indenture with respect to the Series 2025 Bonds. The Consulting Engineer shall provide a written certification to the District and the Trustee certifying that the event in clause (a) has occurred and the District shall provide a written certification to the Trustee affirming clause (b), on which certifications the Trustee may conclusively rely.

"Reserve Account Release Conditions #2" shall mean, collectively, that (a) all of the Reserve Account Release Conditions #1 have been satisfied, (b) all homes within Assessment Area One have been built and have received a certificate of occupancy, (c) all of the principal portion of the Series 2025 Assessments has been assigned to such homes, (d) all Series 2025 Assessments are being collected pursuant to the Uniform Method, and (e) there are no Events of Default occurring or continuing under the Indenture with respect to the Series 2025 Bonds. The District shall provide a written certification to the Trustee certifying that the events in clauses (a) through (d) have occurred and affirming clause (e), on which certifications the Trustee may conclusively rely.

"Series 2025 Assessment Interest" shall mean the interest on the Series 2025 Assessments which is pledged to the Series 2025 Bonds.

"Series 2025 Assessment Principal" shall mean the principal amount of Series 2025 Assessments received by the District which represents a proportionate amount of the principal of and Amortization Installments of the Series 2025 Bonds, other than applicable Delinquent Assessment Principal and Series 2025 Prepayments.

"Series 2025 Assessment Proceedings" shall mean the proceedings of the District with respect to the establishment, levy and collection of the Series 2025 Assessments which include Resolution Nos. 2025-06, 2025-07, 2025-10 and 2025-[,], adopted by the Governing Body of the District, and any supplemental proceedings

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"Series 2025 Prepayment Interest" shall mean the interest on the Series 2025 Prepayments received by the District.

"Series 2025 Prepayments" shall mean the excess amount of Series 2025 Assessment Principal received by the District over the Series 2025 Assessment Principal included within a Series 2025 Assessment appearing on any outstanding and unpaid tax bill or direct collect invoice, whether or not mandated to be prepaid in accordance with the Series 2025 Assessment Proceedings. Anything herein or in the Master Indenture to the contrary notwithstanding, the term Series 2025 Prepayments shall not mean the proceeds of any Refunding Bonds or other borrowing of the District.

"Series 2025 Reserve Account Requirement" shall mean an amount equal to fifty percent (50%) of the Maximum Annual Debt Service Requirement for all Outstanding Series 2025 Bonds, as of the time of any such calculation, until such time as the Reserve Account Release Conditions #1 are met, at which time and thereafter, Series 2025 Reserve Account Requirement shall mean an amount equal to twenty-five percent (25%) of the Maximum Annual Debt Service Requirement for all Outstanding Series 2025 Bonds, as of the time of any such calculation, until such time as the Reserve Account Release Conditions #2 are met, at which time and thereafter, Series 2025 Reserve Account Requirement shall mean an amount equal to ten percent (10%) of the Maximum Annual Debt Service Requirement for all Outstanding Series 2025 Bonds, as of the time of any such calculation. On the date of initial issuance of the Series 2025 Bonds, the Series 2025 Reserve Account Requirement shall be \$[RAR].

"Substantially Absorbed" shall mean the date on which the principal amount of the Series 2025 Assessments equaling seventy-five percent (75%) of the then Outstanding principal amount of the Series 2025 Bonds is levied on tax parcels within Assessment Area One with respect to which a certificate of occupancy has been issued for a structure thereon, as certified by an Authorized Officer and upon which the Trustee may conclusively rely.

"True-Up Agreement" shall mean the Agreement Regarding the True-Up and Payment of Special Assessments for Capital Improvement Revenue Bonds Unit of Development No. 12 – Series 2025 Bonds (Assessment Area One Project) between the District and the Developer, dated as of [Closing Date].

"Underwriter" shall mean FMSBonds, Inc., the underwriter of the Series 2025 Bonds.

"Unit No. 1 Bonds" shall mean the District's \$32,165,000 Special Assessment Revenue Refunding Bonds, Series 2017 (Unit of Development No. 1).

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undertaken by the District with respect to the Series 2025 Assessments and the Assessment Methodology as approved thereby.

"Series 2025 Assessment Revenues" shall mean all revenues derived by the District from the Series 2025 Assessments, including Delinquent Assessments, proceeds from any foreclosure of the lien of Delinquent Assessments and any statutory interest on the Delinquent Assessments collected by the District in excess of the rate of interest on the Series 2025 Bonds.

"Series 2025 Investment Obligations" shall mean and includes any of the following securities, if and to the extent that such securities are legal investments for funds of the District:

(a) Government Obligations;

(b) Bonds, debentures, notes or other evidences of indebtedness issued by any of the following agencies or such other government – sponsored agencies which may presently exist or be hereafter created; provided that, such bonds, debentures, notes or other evidences of indebtedness are fully guaranteed as to both principal and interest by the Government National Mortgage Association (including participation certificates issued by such association); Fannie Mae (including participation certificates issued by such entity); Federal Home Loan Banks; Federal Farm Credit Banks; Tennessee Valley Authority; Federal Home Loan Mortgage Corporation and repurchase agreements secured by such obligations, which funds are rated in the highest categories for such funds by both Moody's and S&P at the time of purchase;

(c) Both (i) shares of a diversified open-end management investment company (as defined in the Investment Company Act of 1940) or a regulated investment company (as defined in Section 851(a) of the Code) that is a money market fund that is rated in the highest rating category for such funds by Moody's and S&P, and (ii) shares of money market mutual funds that invest only in the obligations described in (a) and (b) above;

(d) Money market deposit accounts, time deposits, and certificates of deposits issued by commercial banks, savings and loan associations or mutual savings banks whose short-term obligations are rated, at the time of purchase, in one of the two highest rating categories, without regard to gradation, by Moody's and S&P; and

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

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

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ARTICLE II AUTHORIZATION, ISSUANCE AND PROVISIONS OF SERIES 2025 BONDS

Section 201. Authorization of Series 2025 Bonds; Book-Entry Only Form. The Series 2025 Bonds are hereby authorized to be issued in one Series in the aggregate principal amount of \$[Bond Amount] for the purposes enumerated in the recitals hereto to be designated "West Villages Improvement District Capital Improvement Revenue Bonds (Unit of Development No. 12), Series 2025 (Assessment Area One)." The Series 2025 Bonds shall be substantially in the form attached hereto as **Exhibit B**. Each Series 2025 Bond shall bear the designation "2025R" and shall be numbered consecutively from 1 upwards.

The Series 2025 Bonds shall be initially issued in the form of a separate single certificated fully registered Series 2025 Bond for each maturity thereof. Upon initial issuance, the ownership of each such Series 2025 Bond shall be registered in the registration books kept by the Bond Registrar in the name of Cede & Co., as Nominee of DTC, the initial Bond Depository. Except as provided in this Section 201, all of the Outstanding Series 2025 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 2025 Bonds registered in the registration books kept by the Bond Registrar in the name of Cede & Co., as Nominee of DTC, the District, the Trustee, the Bond Registrar and the Paying Agent shall have no responsibility or obligation to any such Bond Participant or to any indirect Bond Participant. Without limiting the immediately preceding sentence, the District, the Trustee, the Bond Registrar and the Paying Agent shall have no responsibility or obligation with respect to (a) the accuracy of the records of DTC, Cede & Co., or any Bond Participant with respect to any ownership interest in the Series 2025 Bonds, (b) the delivery to any Bond Participant or any other person other than an Owner, as shown in the registration books kept by the Bond Registrar, of any notice with respect to the Series 2025 Bonds, including any notice of redemption, or (c) the payment to any Bond Participant or any other person, other than an Owner, as shown in the registration books kept by the Bond Registrar, of any amount with respect to principal of, premium, if any, or interest on the Series 2025 Bonds. The District, the Trustee, the Bond Registrar and the Paying Agent shall treat and consider the person in whose name each Series 2025 Bond is registered in the registration books kept by the Bond Registrar as the absolute Owner of such Series 2025 Bond for the purpose of payment of principal, premium and interest with respect to such Series 2025 Bond, for the purpose of giving notices of redemption and other matters with respect to such Series 2025 Bond, for the purpose of registering transfers with respect to such Series 2025 Bond, and for all other purposes whatsoever. The Paying Agent shall pay all principal of, premium, if any, and interest on the Series 2025 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

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and all such payments shall be valid and effective to fully satisfy and discharge the District's obligations with respect to payment of principal of, premium, if any, and interest on the Series 2025 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 2025 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 herein with respect to Record Dates, the words "Cede & Co." in this First Supplemental Indenture shall refer to such new Nominee of DTC, and upon receipt of such a notice the District shall promptly deliver a copy of the same to the Trustee, the Bond Registrar and the Paying Agent.

Upon receipt by the Trustee or the District of written notice from DTC (a) confirming that DTC has received written notice from the District to the effect that a continuation of the requirement that all of the Outstanding Series 2025 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 2025 Bonds, or (b) to the effect that DTC is unable or unwilling to discharge its responsibilities and no substitute Bond Depository willing to undertake the functions of DTC hereunder can be found which is willing and able to undertake such functions upon reasonable and customary terms, the Series 2025 Bonds shall no longer be restricted to being registered in the registration books kept by the Bond Registrar in the name of Cede & Co., as Nominee of DTC, but may be registered in whatever name or names Owners transferring or exchanging the Series 2025 Bonds shall designate, in accordance with the provisions hereof.

Section 202. Terms. The Series 2025 Bonds shall be issued as [] ([]) Term Bonds, shall be dated as of the date of their issuance and delivery to the initial purchasers thereof, shall bear interest at the fixed interest rates per annum and shall mature in the amounts and on the dates set forth below:

<u>Number</u>	<u>Principal Amount</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>CUSIP</u>
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Section 203. Dating; Interest Accrual. Each Series 2025 Bond shall be dated [Closing Date]. Each Series 2025 Bond shall also bear its date of authentication. Each Series 2025 Bond shall bear interest from the Interest Payment Date to which interest has been paid next preceding the date of its authentication, unless the date of its authentication (a) is an Interest Payment Date to which interest on such Series 2025 Bond has been paid, in which event such Series 2025 Bond shall bear interest from its date of authentication, or (b) is prior to the first Interest Payment Date for the Series 2025 Bonds, in which event such Series 2025 Bond shall bear interest from

its date. Interest on the Series 2025 Bonds shall be due and payable on each May 1 and November 1, commencing November 1, 2025, and shall be computed on the basis of a 360-day year comprised of twelve (12) thirty (30) day months.

Section 204. Denominations. The Series 2025 Bonds shall be issued in Authorized Denominations.

Section 205. Paying Agent. The District appoints the Trustee as Paying Agent for the Series 2025 Bonds.

Section 206. Bond Registrar. The District appoints the Trustee as Bond Registrar for the Series 2025 Bonds.

Section 207. Conditions Precedent to Issuance of Series 2025 Bonds. In addition to complying with the requirements set forth in the Master Indenture in connection with the issuance of the Series 2025 Bonds, all the Series 2025 Bonds shall be executed by the District for delivery to the Trustee and thereupon shall be authenticated by the Trustee and delivered to the District or upon its order, but only upon the further receipt by the Trustee of:

- (a) certified copies of the Series 2025 Assessment Proceedings;
- (b) executed copies of the Master Indenture and this First Supplemental Indenture;
- (c) a customary Bond Counsel opinion;
- (d) the District Counsel opinion required by the Master Indenture;
- (e) a certificate of an Authorized Officer to the effect that, upon the authentication and delivery of the Series 2025 Bonds, the District will not be in default in the performance of the terms and provisions of the Master Indenture or this First Supplemental Indenture;
- (f) an Engineer's Certificate and a copy of the Engineer's Report, which sets forth the estimated Costs of the Assessment Area One Project;
- (g) a certificate of the Methodology Consultant addressing the validity of the Series 2025 Assessments;
- (h) a certified copy of the final judgment of validation in respect of the Bonds together with a certificate of no appeal; and
- (i) an executed Collateral Assignment, Completion Agreement and True-Up Agreement.

Payment to the Trustee of the net proceeds of the Series 2025 Bonds in the amount of \$[NP] shall conclusively evidence that the foregoing conditions precedent have been met to the satisfaction of the District and the Underwriter.

**ARTICLE III
REDEMPTION OF SERIES 2025 BONDS**

Section 301. Bonds Subject to Redemption. The Series 2025 Bonds are subject to redemption prior to maturity as provided in the form thereof attached hereto as Exhibit B. Interest on Series 2025 Bonds which are called for redemption shall be paid on the date of redemption from the Series 2025 Interest Account or from the Series 2025 Revenue Account to the extent moneys in the Series 2025 Interest Account are insufficient for such purpose. Moneys in the Series 2025 Optional Redemption Subaccount shall be applied in accordance with Section 506 of the Master Indenture to the optional redemption of Series 2025 Bonds.

**ARTICLE IV
DEPOSIT OF SERIES 2025 BOND PROCEEDS AND
APPLICATION THEREOF; ESTABLISHMENT OF ACCOUNTS
AND OPERATION THEREOF**

Section 401. Establishment of Accounts. There are hereby established, as needed, the following Accounts:

- (a) within the Acquisition and Construction Fund held by the Trustee, a Series 2025 Acquisition and Construction Account and a Series 2025 Costs of Issuance Account;
- (b) within the Debt Service Fund held by the Trustee: (i) a Series 2025 Debt Service Account and therein a Series 2025 Sinking Fund Account and a Series 2025 Interest Account; and (ii) a Series 2025 Redemption Account and therein a Series 2025 Prepayment Subaccount and a Series 2025 Optional Redemption Subaccount;
- (c) within the Reserve Fund held by the Trustee, a Series 2025 Reserve Account, which shall be held for the benefit of all of the Series 2025 Bonds, without distinction as to Series 2025 Bonds and without privilege or priority of one Series 2025 Bond over another;
- (d) within the Revenue Fund held by the Trustee, a Series 2025 Revenue Account; and
- (e) within the Rebate Fund held by the Trustee, a Series 2025 Rebate Account.

Section 402. Use of Series 2025 Bond Proceeds. The net proceeds of sale of the Series 2025 Bonds in the amount of \$[NP] (consisting of \$[Bond Amount].00 principal amount of Series 2025 Bonds [less/plus] [net] original issue [discount/premium] in the amount of \$[OID/OIP] and less underwriter's discount in the amount of \$[UD]), shall as soon as practicable upon the delivery thereof to the Trustee by the District pursuant to Section 207 of the Master Indenture, be applied as follows:

- (a) \$[RAR], representing the Series 2025 Reserve Account Requirement at the time of issuance of the Series 2025 Bonds, shall be deposited to the credit of the Series 2025 Reserve Account;
- (b) \$[COI], representing the costs of issuance relating to the Series 2025 Bonds, shall be deposited to the credit of the Series 2025 Costs of Issuance Account; and
- (c) \$[CD] shall be deposited to the credit of the Series 2025 Acquisition and Construction Account.

Section 403. Series 2025 Acquisition and Construction Account; Series 2025 Costs of Issuance Account. (a) Amounts on deposit in the Series 2025 Acquisition and Construction Account shall be applied to pay Costs of the Assessment Area One Project upon compliance with the requisition provisions set forth in Section 503(b) of the Master Indenture and on the form attached hereto as Exhibit C. The Trustee shall have no duty to verify that any requested disbursement from the Series 2025 Acquisition and Construction Account is for a Cost of the Assessment Area One Project. The Consulting Engineer shall establish a Date of Completion for the Assessment Area One Project, and any balance remaining in the Series 2025 Acquisition and Construction Account after such Date of Completion (taking into account the moneys then on deposit therein to pay any accrued but unpaid Costs of the Assessment Area One Project which are required to be reserved in the Series 2025 Acquisition and Construction Account in accordance with the certificate of the Consulting Engineer delivered to the District and the Trustee establishing such Date of Completion), shall be transferred to the Series 2025 Prepayment Subaccount and applied to the extraordinary mandatory redemption of the Series 2025 Bonds in accordance with Section 301 hereof and in the manner prescribed in the form of Series 2025 Bond attached hereto as Exhibit B. Notwithstanding the foregoing, the District shall not establish a Date of Completion until after both the Reserve Account Release Conditions #1 and the Reserve Account Release Conditions #2 have been satisfied and moneys have been transferred from the Series 2025 Reserve Account to the Series 2025 Acquisition and Construction Account as a result of such satisfaction pursuant to Section 405 hereof. At such time as there are no amounts on deposit in the Series 2025 Acquisition and Construction Account, such Account shall be closed.

- (b) The amount deposited in the Series 2025 Costs of Issuance Account shall, at the written direction of an Authorized Officer to the Trustee, be used to pay

the costs of issuance relating to the Series 2025 Bonds. On the earlier of occur of (x) the written direction of an Authorized Officer or (y) six (6) months from the date of issuance of the Series 2025 Bonds, any amounts deposited in the Series 2025 Costs of Issuance Account for which the Trustee has not received a requisition to pay such costs shall be transferred over and deposited into the Series 2025 Acquisition and Construction Account and used for the purposes permitted therefor. Any deficiency in the amount allocated to pay the costs of issuance relating to the Series 2025 Bonds shall be paid from excess moneys on deposit in the Series 2025 Revenue Account pursuant to Section 408(d) FOURTH hereof. When such deficiency has been satisfied and no moneys remain therein, the Series 2025 Costs of Issuance Account shall be closed.

Section 404. Reserved.

Section 405. Series 2025 Reserve Account. The Series 2025 Reserve Account shall be funded and maintained at all times in an amount equal to the Series 2025 Reserve Account Requirement. Except as otherwise provided herein or in the Master Indenture, amounts on deposit in the Series 2025 Reserve Account shall be used only for the purpose of making payments into the Series 2025 Interest Account and the Series 2025 Sinking Fund Account to pay Debt Service on the Series 2025 Bonds, when due, without distinction as to Series 2025 Bonds and without privilege or priority of one Series 2025 Bond over another, to the extent the moneys on deposit in such Accounts available therefor are insufficient and for no other purpose. The Series 2025 Reserve Account shall consist only of cash and Series 2025 Investment Obligations.

Anything herein or in the Master Indenture to the contrary notwithstanding, on the forty-fifth (45th) day preceding each Quarterly Redemption Date (or, if such forty-fifth (45th) day is not a Business Day, on the Business Day preceding such forty-fifth (45th) day), the Trustee is hereby authorized and directed to recalculate the Series 2025 Reserve Account Requirement. Following such recalculation, the Trustee shall promptly notify the District of any excess on deposit in the Series 2025 Reserve Account whereupon the District shall direct the Trustee in writing to transfer such excess on deposit in the Series 2025 Reserve Account (a) resulting from Prepayments of Series 2025 Assessments into the Series 2025 Prepayment Subaccount and applied as a credit against the Prepayment otherwise required to be made by the owner of such lot or parcel subject to such Prepayment and thereafter applied to the extraordinary mandatory redemption of the Series 2025 Bonds, (b) resulting from a reduction of the Series 2025 Reserve Account Requirement as the result of the Reserve Account Release Conditions #1 or the Reserve Account Release Conditions #2 being met into the Series 2025 Acquisition and Construction Account and used for the purposes of such Account, or (c) resulting from investment earnings as provided in Section 408(f) herein.

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(b) The Trustee shall deposit into the Series 2025 Revenue Account (i) Series 2025 Assessment Revenues other than Series 2025 Prepayments (which Series 2025 Prepayments shall be identified by the District to the Trustee as such in writing upon deposit, upon which certification the Trustee may conclusively rely, and which shall be deposited into the Series 2025 Prepayment Subaccount), (ii) Series 2025 Prepayment Interest, and (iii) any other revenues required by other provisions of the Indenture to be deposited into the Series 2025 Revenue Account.

(c) On the forty-fifth (45th) day preceding each Quarterly Redemption Date (or if such forty-fifth (45th) day is not a Business Day, on the Business Day preceding such forty-fifth (45th) day), the Trustee shall determine the amount on deposit in the Series 2025 Prepayment Subaccount and, if the balance therein is greater than zero, shall, upon written direction from the District, transfer from the Series 2025 Revenue Account for deposit into the Series 2025 Prepayment Subaccount an amount sufficient to increase the amount on deposit therein to the nearest integral multiple of \$5,000 (provided that there are sufficient funds remaining in the Series 2025 Revenue Account to pay Debt Service coming due on the Series 2025 Bonds on the next succeeding Interest Payment Date), and shall thereupon give notice and cause the extraordinary mandatory redemption of the Series 2025 Bonds on the next succeeding Redemption Date in the maximum aggregate principal amount for which moneys are then on deposit in the Series 2025 Prepayment Subaccount in accordance with the provisions for extraordinary mandatory redemption of the Series 2025 Bonds set forth in the form of Series 2025 Bonds attached hereto, Section 301 hereof, and Article III of the Master Indenture.

(d) On May 1 and November 1 (or if such May 1 or November 1 is not a Business Day, on the Business Day preceding such May 1 or November 1), the Trustee shall transfer amounts on deposit in the Series 2025 Revenue Account to the Accounts designated below in the following amounts and in the following order of priority:

FIRST, to the Series 2025 Interest Account, the amount, if any, equal to the difference between the amount of interest payable on all Series 2025 Bonds then Outstanding on such May 1 or November 1, and the amount already on deposit in the Series 2025 Interest Account not previously credited;

SECOND, on May 1, 20[], and on each May 1 thereafter, to the Series 2025 Sinking Fund Account, the amount, if any, equal to the difference between the Amortization Installments of all Series 2025 Bonds subject to mandatory sinking fund redemption on such May 1 and the amount already on deposit in the Series 2025 Sinking Fund Account not previously credited;

THIRD, to the Series 2025 Reserve Account, the amount, if any, which is necessary to make the amount on deposit therein equal to the Series 2025 Reserve Account Requirement with respect to the Series 2025 Bonds; and

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On the earliest date on which there is on deposit in the Series 2025 Reserve Account sufficient moneys, after taking into account other moneys available therefor, to pay and redeem all of the Outstanding Series 2025 Bonds, together with accrued interest and redemption premium, if any, on such Series 2025 Bonds to the earliest Redemption Date permitted therein and herein, then the Trustee shall transfer the amount on deposit in the Series 2025 Reserve Account into the Series 2025 Prepayment Subaccount to pay and redeem all of the Outstanding Series 2025 Bonds on the earliest Redemption Date permitted for redemption therein and herein.

Anything herein or in the Master Indenture to the contrary notwithstanding, amounts on deposit in the Series 2025 Reserve Account shall, upon the occurrence and continuance of an Event of Default, be subject to a first charge by the Trustee for its fees and expenses, including fees and expenses of collection of Delinquent Assessments.

Section 406. Amortization Installments; Selection of Bonds for Redemption. (a) The Amortization Installments established for the Series 2025 Bonds shall be as set forth in the form of Series 2025 Bonds attached hereto.

(b) Upon any redemption of Series 2025 Bonds (other than Series 2025 Bonds redeemed in accordance with scheduled Amortization Installments and other than Series 2025 Bonds redeemed at the direction of the District accompanied by a cash flow certificate as required by Section 506(b) of the Master Indenture), the Trustee shall cause Series 2025 Bonds to be redeemed in such amounts and having such maturities so as to result in Amortization Installments recalculated, which recalculation shall be performed by the District, in such manner as shall amortize all the Outstanding Series 2025 Bonds of all of the maturities in substantially equal annual installments of principal and interest (subject to rounding to Authorized Denominations of principal) over the remaining terms of all of the Series 2025 Bonds.

Section 407. Tax Covenants. The District shall comply with the Arbitrage Certificate, including but not limited to the Tax Regulatory Covenants set forth as an exhibit to the Arbitrage Certificate, as amended and supplemented from time to time in accordance with their terms.

Section 408. Series 2025 Revenue Account; Application of Revenues and Investment Earnings. (a) The Trustee is hereby authorized and directed to deposit any and all amounts required to be deposited in the Series 2025 Revenue Account by this Section 408 or by any other provision of the Master Indenture or this First Supplemental Indenture, and any other amounts or payments specifically designated by the District pursuant to a written direction or by a Supplemental Indenture for said purpose. The Series 2025 Revenue Account shall be held by the Trustee separate and apart from all other Funds and Accounts held under the Indenture and from all other moneys of the Trustee.

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FOURTH, the balance shall first be deposited into the Series 2025 Costs of Issuance Account to fund any deficiencies in the amount allocated to pay the costs of issuance relating to the Series 2025 Bonds, and then the balance shall be retained in the Series 2025 Revenue Account.

(e) On any date required by the Arbitrage Certificate, the District shall give the Trustee written direction to, and the Trustee shall, transfer from the Series 2025 Revenue Account to the Series 2025 Rebate Account the amount due and owing to the United States, which amount shall be paid to the United States when due in accordance with such Arbitrage Certificate.

(f) Anything herein or in the Master Indenture to the contrary notwithstanding, moneys on deposit in all of the Funds and Accounts held as security for the Series 2025 Bonds shall be invested only in Series 2025 Investment Obligations. Earnings on investments in the Series 2025 Acquisition and Construction Account and the Series 2025 Interest Account shall be retained, as realized, in such Accounts and used for the purpose of such Accounts. Earnings on investments in the Funds and Accounts other than the Series 2025 Reserve Account, and other than as set forth above, shall be deposited, as realized, to the credit of the Series 2025 Revenue Account and used for the purpose of such Account.

Earnings on investments in the Series 2025 Reserve Account shall be disposed of as follows:

(i) if there was no deficiency (as defined in Section 509 of the Master Indenture) in the Series 2025 Reserve Account as of the most recent date on which amounts on deposit in the Series 2025 Reserve Account were valued by the Trustee, and if no withdrawals have been made from the Series 2025 Reserve Account since such date which have created a deficiency, then earnings on investments in the Series 2025 Reserve Account shall be deposited into the Series 2025 Revenue Account and used for the purpose of such Account; or

(ii) if there was a deficiency (as defined in Section 509 of the Master Indenture) in the Series 2025 Reserve Account as of the most recent date on which amounts on deposit in the Series 2025 Reserve Account were valued by the Trustee, or if after such date withdrawals have been made from the Series 2025 Reserve Account and have created such a deficiency, then earnings on investments in the Series 2025 Reserve Account shall be retained in the Series 2025 Reserve Account until the amount on deposit therein is equal to the Series 2025 Reserve Account Requirement, and then earnings on investments in the Series 2025 Reserve Account shall be deposited into the Series 2025 Revenue Account and used for the purpose of such Account.

The foregoing determination and disbursement shall be made prior to any recalculation and transfer of excess amounts on deposit in the Series 2025 Reserve Account made pursuant to Section 405 hereof.

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**ARTICLE V
CONCERNING THE TRUSTEE**

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

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

Section 503. Trustee's Duties. Nothing contained herein shall limit the rights, benefits, privileges, protection and entitlements inuring to the Trustee under the Master Indenture, including, particularly, Article VI thereof.

**ARTICLE VI
ADDITIONAL BONDS**

Section 601. No Parity Bonds; Limitation on Parity Assessments. Other than Refunding Bonds issued to refund all or a portion of the then Outstanding Series 2025 Bonds, the issuance of which results in net present value Debt Service savings, the District shall not, while any Series 2025 Bonds are Outstanding, issue or incur any debt payable in whole or in part from the Series 2025 Trust Estate. In addition, the District covenants not to issue any Bonds or other debt obligations secured by Assessments on lands within the District which are also encumbered by the Series 2025 Assessments for any capital project that provides special benefit, as determined by the District, solely to Assessment Area One, unless the Series 2025 Assessments have been Substantially Absorbed.

The provisions set forth above in this Section 601 do not apply to (a) any Bonds or other debt obligations of the District issued to refund all or a portion of the Unit No. 1 Bonds secured by Assessments on lands which are encumbered by the Series 2025 Assessments, (b) any District debt issued for other lawful purposes secured by Assessments on other assessable lands within the District in addition to Assessment Area One for any capital project that provides special benefit, as determined by the District, to such assessable lands and Assessment Area One, or (c) the imposition of Assessments on property subject to the Series 2025 Assessments which, as determined by the District, are necessary for health, safety, and welfare reasons, or to remediate a natural disaster. The Trustee and the District may rely on a certificate from the District Manager regarding the permissibility of any proposed District debt secured by Assessments to be levied on any portion of Assessment Area One encumbered by the Series 2025 Assessments, and in the absence of receipt of such

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than thirty (30) days prior to each respective Interest Payment Date; provided, however, that such Series 2025 Assessments shall not be deemed Delinquent Assessments unless and until such Series 2025 Assessments are not paid by the applicable Interest Payment Date with respect to which they have been billed.

Section 705. Foreclosure of Assessment Lien. Notwithstanding Section 814 of the Master Indenture or any other provision of the Indenture to the contrary, the following provisions shall apply with respect to the Series 2025 Assessments and Series 2025 Bonds.

If any property shall be offered for sale for the nonpayment of any Series 2025 Assessments and no person or persons shall purchase such property for an amount equal to the full amount due on the Series 2025 Assessments (principal, interest, penalties and costs, plus attorneys' fees, if any), the property may then be purchased by the District for an amount less than or equal to the balance due on the Series 2025 Assessments (principal, interest, penalties and costs, plus attorneys' fees, if any), from any legally available funds of the District and the District shall receive, in its corporate name or in the name of a special purpose entity, title to the property for the benefit of the Owners of the Series 2025 Bonds; provided that the Trustee shall have the right acting at the direction of the Majority Owners, but shall not be obligated, to direct the District with respect to any action taken pursuant to this Section 705. The District, either through its own actions or actions caused to be taken through the Trustee, shall have the power to lease or sell such property, and deposit all of the net proceeds of any such lease or sale into the Series 2025 Revenue Account. The District, either through its own actions or actions caused to be taken through the Trustee, agrees that it shall, after being provided assurances satisfactory to it of payment of its fees, costs and expenses for doing so, be required to take the measures provided by law for listing for sale of property acquired by it as trustee for the benefit of the Owners of the Series 2025 Bonds within sixty (60) days after the receipt of the request therefor signed by the Trustee or the Majority Owners. The Trustee may, upon direction from the Majority Owners, pay costs associated with any actions taken by the District pursuant to this paragraph from any moneys legally available for such purpose held under the Indenture.

Section 706. Owner Direction and Consent with Respect to Series 2025 Acquisition and Construction Account Upon Occurrence of Event of Default. In accordance with the provisions of the Indenture, the Series 2025 Bonds are payable solely from the Series 2025 Pledged Revenues and the Series 2025 Pledged Funds held by the Trustee under the Indenture for such purpose. Anything in the Indenture to the contrary notwithstanding, the District hereby acknowledges that (a) the Series 2025 Pledged Funds includes, without limitation, all amounts on deposit in the Series 2025 Acquisition and Construction Account then held by the Trustee, (b) upon the occurrence of an Event of Default with respect to the Series 2025 Bonds, the Series 2025 Pledged Funds 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

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certificate, may assume that the District may not issue debt on the same lands encumbered by the Series 2025 Assessments.

**ARTICLE VII
MISCELLANEOUS**

Section 701. Confirmation of Master Indenture. As supplemented by this First Supplemental Indenture, the Master Indenture is in all respects ratified and confirmed, and this First Supplemental Indenture shall be read, taken and construed as a part of the Master Indenture so that all of the rights, remedies, terms, conditions, covenants and agreements of the Master Indenture, except insofar as modified herein, shall apply and remain in full force and effect with respect to this First Supplemental Indenture and to the Series 2025 Bonds issued hereunder.

Section 702. Continuing Disclosure Agreement. Contemporaneously with the execution and delivery hereof, the District has executed and delivered the Continuing Disclosure Agreement in order to comply with the requirements of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended. The District covenants and agrees to comply with the provisions of the Continuing Disclosure Agreement. However, as set forth therein, failure to so comply shall not constitute an Event of Default hereunder, but instead shall be enforceable as provided in the Continuing Disclosure Agreement.

Section 703. Additional Covenant Regarding Assessments. In addition to, and not in limitation of, the covenants contained elsewhere in this First Supplemental Indenture and in the Master Indenture, the District covenants to comply with the terms of the Series 2025 Assessment Proceedings heretofore adopted with respect to the Series 2025 Assessments, including the Assessment Methodology, and to levy the Series 2025 Assessments and collect any required true-up payments set forth in the Assessment Methodology in such manner as will generate funds sufficient to pay the principal of and interest on the Series 2025 Bonds, when due.

Section 704. Collection of Assessments. (a) Anything herein or in the Master Indenture to the contrary notwithstanding, when permitted by law, Series 2025 Assessments levied on platted lands and pledged hereunder to secure the Series 2025 Bonds shall be collected pursuant to the Uniform Method, and Series 2025 Assessments levied on unplatted lands and pledged hereunder to secure the Series 2025 Bonds shall be collected directly by the District pursuant to the Act and Chapters 170 and 197, Florida Statutes, and not pursuant to the Uniform Method, in each case unless otherwise directed by the Trustee acting at the direction of the Majority Owners upon the occurrence and continuance of an Event of Default.

(b) Series 2025 Assessments that are collected directly by the District and not via the Uniform Method shall be due and payable by each landowner no later

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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 (c) upon the occurrence of an Event of Default with respect to the Series 2025 Bonds, the Series 2025 Pledged Funds may be used by the Trustee, at the direction or with the approval of the Majority Owners, to pay the reasonable costs and expenses incurred in connection with the pursuit of remedies under the Indenture. The District shall not enter into any binding agreement with respect to the Assessment Area One Project that will cause the expenditure of additional funds from the Series 2025 Trust Estate after the occurrence and during the continuance of an Event of Default unless authorized in writing by the Majority Owners.

Section 707. Assignment of District's Rights Under Collateral Assignment. Subject to the terms of the Collateral Assignment, the District hereby assigns its rights under the Collateral Assignment to the Trustee for the benefit of the Owners, from time to time, of the Series 2025 Bonds. The Trustee shall not be deemed to have accepted any obligation under the Collateral Assignment by virtue of such assignment.

Section 708. Enforcement of True-Up Agreement and Completion Agreement. The District, either through its own actions, or actions caused to be taken through the Trustee, covenants that it shall strictly enforce all of the provisions of the True-Up Agreement and the Completion Agreement and, upon the occurrence and continuance of a default under either or both of such Agreements, the District covenants and agrees that the Trustee, at the direction of the Majority Owners, may, subject to the provisions of Section 912 of the Master Indenture, act on behalf of and in the District's stead to enforce the provisions of such Agreements and to pursue all available remedies under applicable law or in equity. Anything herein or in the Master Indenture to the contrary notwithstanding, failure of the District to enforce, or permit the Trustee to enforce in its stead, all of the provisions of the True-Up Agreement and the Completion Agreement upon demand of the Majority Owners, or the Trustee at the direction of the Majority Owners, shall constitute an Event of Default under the Indenture, provided, however, that the District shall have a reasonable opportunity to cure.

Section 709. Payment of Rebate Amount. Anything herein or in the Master Indenture to the contrary notwithstanding, the District shall cause a Rebate Analyst to determine the Rebate Amount, if any, at the times and in the manner provided in the Tax Regulatory Covenants attached as an exhibit to the Arbitrage Certificate. If a Rebate Amount shall be due, the District shall deliver to the Trustee the written direction of an Authorized Officer to pay from the Series 2025 Rebate Account, or from any other available funds as shall be provided in such written direction, the Rebate Amount to the District for remittance to the Internal Revenue Service. The Trustee may conclusively rely on such written direction and shall have no responsibility for the calculation or payment of the Rebate Amount, if any. Notwithstanding Section 507(b) of the Master Indenture, the District shall not be required to provide the report of the Rebate Analyst to the Trustee.

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IN WITNESS WHEREOF, West Villages Improvement District has caused this First Supplemental Indenture to be signed in its name and on its behalf by its Chairman, and its official seal to be hereunto affixed and attested by its Assistant Secretary, thereunto duly authorized, and to evidence its acceptance of the trusts hereby created, the Trustee has caused this First Supplemental Indenture to be signed in its name and on its behalf by its duly authorized Vice President.

EXHIBIT A
DESCRIPTION OF ASSESSMENT AREA ONE PROJECT

[See Report of Consulting Engineer Attached Hereto]

(SEAL)

WEST VILLAGES IMPROVEMENT DISTRICT

Attest:

Assistant Secretary

By: _____
Chairman, Board of Supervisors

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

By: _____
Vice President

EXHIBIT B
FORM OF SERIES 2025 BONDS

No. 2025R- _____ \$[]

UNITED STATES OF AMERICA
STATE OF FLORIDA
WEST VILLAGES IMPROVEMENT DISTRICT
CAPITAL IMPROVEMENT REVENUE BOND
(UNIT OF DEVELOPMENT NO. 12), SERIES 2025
(ASSESSMENT AREA ONE)

Interest Rate	Maturity Date	Dated Date	CUSIP
%	May 1, 20[]	[Closing Date]	

Registered Owner: CEDE & CO.

Principal Amount:

WEST VILLAGES IMPROVEMENT DISTRICT, a public body, corporate and politic, an independent, limited, special, and single purpose local government created and established by Chapter 2004-456, Laws of Florida, as amended (the "Act"), and an independent special district, under Section 189.031, Florida Statutes, as amended (the "District"), for value received, hereby promises to pay (but only out of the sources hereinafter mentioned) to the registered Owner set forth above, or registered assigns, on the maturity date shown hereon, unless this Bond shall have been called for redemption in whole or in part and payment of the Redemption Price (as defined in the Indenture hereinafter mentioned) shall have been duly made or provided for, the principal amount shown above and to pay (but only out of the sources hereinafter mentioned) interest on the outstanding principal amount hereof from the most recent Interest Payment Date to which interest has been paid or provided for or, if no interest has been paid, from the Dated Date shown above on May 1 and November 1 of each year (each, an "Interest Payment Date"), commencing on November 1, 2025, until payment of said principal sum has been made or provided for, at the rate per annum set forth above. Notwithstanding the foregoing, if any Interest Payment Date is not a Business Day (as defined in the Indenture hereinafter mentioned), then all amounts due on such Interest Payment Date shall be payable on the first Business Day succeeding such Interest Payment Date, but shall be deemed paid on such Interest Payment Date. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in the Indenture (hereinafter defined), be paid to the registered Owner hereof at the close of business on the regular Record Date for such interest, which shall be the fifteenth (15th) day of the calendar month preceding such Interest Payment Date or, if such day is not a Business Day, on the Business Day immediately preceding such day; provided,

however, that on or after the occurrence and continuance of an Event of Default under clause (a) of Section 902 of the Master Indenture (hereinafter defined), the payment of interest and principal or Redemption Price or Amortization Installments shall be made by the Paying Agent (hereinafter defined) to such person who, on a special record date which is fixed by the Trustee, which shall be not more than fifteen (15) and not less than ten (10) days prior to the date of such proposed payment, appears on the registration books of the Bond Registrar as the registered Owner of this Bond. Any payment of principal, Amortization Installment or Redemption Price shall be made only upon presentation hereof at the designated corporate trust office of U.S. Bank Trust Company, National Association, located in Fort Lauderdale, Florida, or any alternate or successor paying agent (collectively, the "Paying Agent"), unless the Bonds are held in the book-entry system in which case presentation shall not be required. Payment of interest shall be made by check or draft (or by wire transfer to the registered Owner set forth above if such Owner requests such method of payment in writing on or prior to the regular Record Date for the respective interest payment to such account as shall be specified in such request, but only if the registered Owner set forth above owns not less than \$1,000,000 in aggregate principal amount of the Series 2025 Bonds, as defined below). Interest on this Bond will be computed on the basis of a 360-day year comprised of twelve (12) thirty (30) day months. During any period that this Bond is registered in the name of Cede & Co., as Nominee of DTC, the provisions of the Supplemental Indenture (hereinafter defined) relating to the book-entry only system shall apply, including the payment provisions thereof. Capitalized terms used herein and not otherwise defined shall have the same meaning as set forth in the hereinafter defined Indenture.

This Bond is one of a duly authorized issue of Bonds of the District designated "West Villages Improvement District Capital Improvement Revenue Bonds (Unit of Development No. 12), Series 2025 (Assessment Area One)" in the aggregate principal amount of \$[Bond Amount] (the "Series 2025 Bonds") issued under a Master Trust Indenture, dated as of April 1, 2025 (the "Master Indenture"), between the District and U.S. Bank Trust Company, National Association, Fort Lauderdale, Florida, as trustee (the "Trustee"), as supplemented by a First Supplemental Trust Indenture, dated as of April 1, 2025 (the "Supplemental Indenture" and together with the Master Indenture, the "Indenture"), between the District and the Trustee (the Series 2025 Bonds together with any other Bonds issued under and governed by the terms of the Master Indenture are hereinafter collectively referred to as the "Bonds"). The District will apply the proceeds of the Series 2025 Bonds to (a) finance a portion of the Cost of acquiring, constructing and equipping assessable improvements comprising the Assessment Area One Project, (b) pay certain costs associated with the issuance of the Series 2025 Bonds, and (c) make a deposit into the Series 2025 Reserve Account to be held for the benefit of all of the Series 2025 Bonds.

NEITHER THIS BOND NOR THE INTEREST AND PREMIUM, IF ANY, PAYABLE HEREON SHALL CONSTITUTE A GENERAL OBLIGATION OR GENERAL INDEBTEDNESS OF THE DISTRICT WITHIN THE MEANING OF

THE CONSTITUTION AND LAWS OF FLORIDA. THIS BOND AND THE SERIES OF WHICH IT IS A PART AND THE INTEREST AND PREMIUM, IF ANY, PAYABLE HEREON AND THEREON DO NOT CONSTITUTE EITHER A PLEDGE OF THE FULL FAITH AND CREDIT OF THE DISTRICT OR A LIEN UPON ANY PROPERTY OF THE DISTRICT OTHER THAN AS PROVIDED IN THE INDENTURE. NO OWNER OR ANY OTHER PERSON SHALL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY AD VALOREM TAXING POWER OF THE DISTRICT OR ANY OTHER PUBLIC AUTHORITY OR GOVERNMENTAL BODY TO PAY DEBT SERVICE OR TO PAY ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE INDENTURE OR THE TERMS HEREOF. RATHER, DEBT SERVICE AND ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE INDENTURE OR THE TERMS HEREOF SHALL BE PAYABLE SOLELY FROM, AND SHALL BE SECURED SOLELY BY, THE SERIES 2025 PLEDGED REVENUES AND THE SERIES 2025 PLEDGED FUNDS PLEDGED TO THE SERIES 2025 BONDS, ALL AS PROVIDED HEREIN AND IN THE INDENTURE.

This Bond is issued under and pursuant to the Constitution and laws of the State of Florida, particularly the Act, and other applicable provisions of law and pursuant to the Indenture, executed counterparts of which Indenture are on file at the corporate trust office of the Trustee. Reference is hereby made to the Indenture for the provisions, among others, with respect to the custody and application of the proceeds of Series 2025 Bonds issued under the Indenture, the collection and disposition of revenues and the funds charged with and pledged to the payment of the principal, Amortization Installments and Redemption Price of, and the interest on, the Series 2025 Bonds, the nature and extent of the security thereby created, the covenants of the District with respect to the levy and collection of Series 2025 Assessments, the terms and conditions under which the Series 2025 Bonds are or may be issued, the rights, duties, obligations and immunities of the District and the Trustee under the Indenture and the rights of the Owners of the Series 2025 Bonds and, by the acceptance of this Bond, the Owner hereof assents to all of the provisions of the Indenture. The Series 2025 Bonds are equally and ratably secured by the Series 2025 Trust Estate, without preference or priority of one Series 2025 Bond over another. The Supplemental Indenture does not authorize the issuance of any additional Bonds ranking on parity with the Series 2025 Bonds as to the lien and pledge of the Series 2025 Trust Estate except, under certain circumstances, Refunding Bonds, and the Supplemental Indenture contains provisions limiting the imposition of capital Assessments on property subject to the Series 2025 Assessments.

The Series 2025 Bonds are issuable only as registered bonds without coupons in current interest form in Authorized Denominations. This Bond is transferable by the registered Owner hereof or his duly authorized attorney at the designated corporate trust office of the Trustee in Fort Lauderdale, Florida, as Bond Registrar (the "Bond Registrar"), upon surrender of this Bond, accompanied by a duly executed

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May 1 of the Year	Amortization Installment	May 1 of the Year	Amortization Installment
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* Final maturity

The Series 2025 Bond maturing May 1, 20[], is subject to mandatory redemption in part by the District by lot prior to its scheduled maturity from moneys in the Series 2025 Sinking Fund Account established under the Supplemental Indenture in satisfaction of applicable Amortization Installments at the Redemption Price of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

May 1 of the Year	Amortization Installment	May 1 of the Year	Amortization Installment
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* Final maturity

As more particularly set forth in the Indenture, any Series 2025 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 2025 Bonds. Amortization Installments are also subject to recalculation, as provided in the Supplemental Indenture, as the result of the redemption of Series 2025 Bonds other than from scheduled Amortization Installments so as to reamortize the remaining Outstanding principal balance of the Series 2025 Bonds as set forth in the Supplemental Indenture.

The Series 2025 Bonds are subject to extraordinary mandatory redemption prior to maturity in whole or in part on any Quarterly Redemption Date at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the redemption date, if and to the extent that any one or more of the following shall have occurred:

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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 Bond or Bonds, in the same aggregate principal amount as the Bond or Bonds transferred, will be issued to the transferee. At the corporate trust office of the Bond Registrar in Fort Lauderdale, Florida, in the manner and subject to the limitations and conditions provided in the Master Indenture and without cost, except for any tax or other governmental charge, Bonds may be exchanged for an equal aggregate principal amount of Bonds of the same maturity, of Authorized Denominations and bearing interest at the same rate or rates.

The Series 2025 Bonds are subject to redemption prior to maturity at the option of the District in whole or in part on any date on or after May 1, 20[], at the Redemption Price of the principal amount of the Series 2025 Bonds or portions thereof to be redeemed together with accrued interest to the date of redemption.

The Series 2025 Bond maturing May 1, 20[], is subject to mandatory redemption in part by the District by lot prior to its scheduled maturity from moneys in the Series 2025 Sinking Fund Account established under the Supplemental Indenture in satisfaction of applicable Amortization Installments at the Redemption Price of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

May 1 of the Year	Amortization Installment	May 1 of the Year	Amortization Installment
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* Final maturity

The Series 2025 Bond maturing May 1, 20[], is subject to mandatory redemption in part by the District by lot prior to its scheduled maturity from moneys in the Series 2025 Sinking Fund Account established under the Supplemental Indenture in satisfaction of applicable Amortization Installments at the Redemption Price of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

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(a) on or after the Date of Completion of the Assessment Area One Project, by application of moneys transferred from the Series 2025 Acquisition and Construction Account to the Series 2025 Prepayment Subaccount as provided for in the Indenture; or

(b) from amounts, including Series 2025 Prepayments, required by the Indenture to be deposited into the Series 2025 Prepayment Subaccount; or

(c) from amounts transferred from the Series 2025 Reserve Account to the Series 2025 Prepayment Subaccount resulting from a reduction in the Series 2025 Reserve Account Requirement as provided for in the Indenture; or

(d) on the date on which the amount on deposit in the Series 2025 Reserve Account, together with other moneys available therefor, are sufficient to pay and redeem all of the Series 2025 Bonds then Outstanding, including accrued interest thereon.

If less than all of the Series 2025 Bonds shall be called for redemption, the particular Series 2025 Bonds or portions of Series 2025 Bonds to be redeemed shall be selected by lot by the Bond Registrar as provided in the Indenture, or as provided or directed by DTC.

Notice of each redemption of Series 2025 Bonds is required to be mailed by the Bond Registrar, postage prepaid, not less than thirty (30) nor more than forty-five (45) days prior to the date of redemption to each registered Owner of Series 2025 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 2025 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 2025 Bonds or such portions thereof on such date, interest on such Series 2025 Bonds or such portions thereof so called for redemption shall cease to accrue, such Series 2025 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 2025 Bonds or such portions thereof so called for redemption except to receive payments of the Redemption Price thereof so held by the Paying Agent. Further notice of redemption shall be given by the Bond Registrar to certain registered securities depositories and information services as set forth in the Indenture, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed.

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

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deposit of moneys therefor as shall be specified in such notice of optional redemption and may also be subject to rescission by the District if expressly set forth in such notice.

The Owner of this Bond shall have no right to enforce the provisions of the Indenture or to institute an action to enforce the covenants therein, or to take any action with respect to any Event of Default under the Indenture, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture.

In certain events, on the conditions, in the manner and with the effect set forth in the Indenture, the principal of all the Series 2025 Bonds then Outstanding under the Indenture may become and may be declared due and payable before the stated maturities thereof, with the interest accrued thereon.

Modifications or alterations of the Master Indenture or of any indenture supplemental thereto may be made only to the extent and in the circumstances permitted by the Master Indenture.

Any moneys held by the Trustee or any Paying Agent in trust for the payment and discharge of any Bond which remain unclaimed for two (2) years after the date when such Bond has become due and payable, either at its stated maturity date or by call for earlier redemption, if such moneys were held by the Trustee or any Paying Agent at such date, or for two (2) years after the date of deposit of such moneys if deposited with the Trustee or Paying Agent after the date when such Bond became due and payable, shall be paid to the District, and thereupon and thereafter no claimant shall have any rights against the Paying Agent to or in respect of such moneys.

If the District deposits or causes to be deposited with the Trustee cash or Federal Securities sufficient to pay the principal or Redemption Price of any Series 2025 Bonds becoming due at maturity or by call for redemption in the manner set forth in the Indenture, together with the interest accrued to the due date, the lien of the Series 2025 Bonds as to the Series 2025 Trust Estate shall be discharged, except for the rights of the Owners thereof with respect to the funds so deposited as provided in the Indenture.

This Bond shall have all the qualities and incidents, including negotiability, of investment securities within the meaning and for all the purposes of the Uniform Commercial Code of the State of Florida.

This Bond is issued with the intent that the laws of the State of Florida shall govern its construction.

All acts, conditions and things required by the Constitution and laws of the State of Florida and the resolutions of the District to happen, exist and be performed precedent to and in the issuance of this Bond and the execution of the Indenture, have happened, exist and have been performed as so required. This Bond shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Indenture until it shall have been authenticated by the execution by the Trustee of the Certificate of Authentication endorsed hereon.

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IN WITNESS WHEREOF, West Villages Improvement District has caused this Bond to bear the signature of the Chairman of its Board of Supervisors and the official seal of the District to be impressed or imprinted hereon and attested by the signature of the Assistant Secretary to the Board of Supervisors.

Attest: **WEST VILLAGES IMPROVEMENT DISTRICT**

Assistant Secretary
By: _____
Chairman, Board of Supervisors

(SEAL)

[FORM OF ABBREVIATIONS]

The following abbreviations, when used in the inscription on the face of the within Bond, shall be construed as though they were written out in full according to applicable laws or regulations.

- TEN COM as tenants in common
- TEN ENT as tenants by the entireties
- JT TEN as joint tenants with the right of survivorship and not as tenants in common
- UNIFORM TRANSFER MIN ACT - _____ Custodian _____ under
Uniform Transfer to Minors Act _____ (Cust.) _____ (Minor)
(State)

Additional abbreviations may also be used though not in the above list.

[FORM OF ASSIGNMENT]

For value received, the undersigned hereby sells, assigns and transfers unto _____ the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____, attorney to transfer the said Bond on the books of the District, with full power of substitution in the premises.

- Dated:
- Social Security Number or Employer:
- Identification Number of Transferee:
- Signature guaranteed:

NOTICE: Signature(s) must be guaranteed by an institution which is a participant in the Securities Transfer Agent Medallion Program (STAMP) or similar program.

NOTICE: The assignor's signature to this Assignment must correspond with the name as it appears on the face of the within Bond in every particular without alteration or any change whatsoever.

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds of the Series designated herein, described in the within-mentioned Indenture.

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

Date of Authentication: _____
[Closing Date] _____
By: _____
Vice President

CERTIFICATE OF VALIDATION

This Bond is one of a Series of Bonds which were validated by judgment of the Twelfth Judicial Circuit of Florida, in and for Sarasota County rendered on March 3, 2025.

Chairman, Board of Supervisors,
West Villages Improvement District

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EXHIBIT C

FORM OF REQUISITION FOR ASSESSMENT AREA ONE PROJECT

The undersigned, an Authorized Officer of West Villages Improvement District (the "District") hereby submits the following requisition for disbursement under and pursuant to the terms of the Master Trust Indenture between the District and U.S. Bank Trust Company, National Association, Fort Lauderdale, Florida, as trustee (the "Trustee"), dated as of April 1, 2025 (the "Master Indenture"), as supplemented by the First Supplemental Trust Indenture between the District and the Trustee, dated as of April 1, 2025 (the "Supplemental Indenture" and together with the Master Indenture, the "Indenture") (all capitalized terms used herein shall have the meaning ascribed to such term in the Indenture):

- (A) Requisition Number:
(B) Name of Payee:
(C) Amount Payable:
(D) Purpose for which paid or incurred (refer also to specific contract if amount is due and payable pursuant to a contract involving progress payments or state costs of issuance, if applicable):
(E) Fund or Account and subaccount, if any, from which disbursement to be made:

The undersigned hereby certifies that:

[] obligations in the stated amount set forth above have been incurred by the District, that each disbursement set forth above is a proper charge against the Series 2025 Acquisition and Construction Account referenced above, that each disbursement set forth above was incurred in connection with the acquisition and/or construction of the Assessment Area One Project and each represents a Cost of the Assessment Area One Project, and has not previously been paid out of such Account;

OR

[] this requisition is for costs of issuance payable from the Series 2025 Costs of Issuance Account that has not previously been paid out of such Account.

The undersigned hereby further certifies that there has not been filed with or served upon the District notice of any lien, right to lien, or attachment upon, or claim affecting the right to receive payment of, any of the moneys payable to the Payee set forth above, which has not been released or will not be released simultaneously with the payment hereof.

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The undersigned hereby further certifies that such requisition contains no item representing payment on account of any retained percentage which the District is at the date of such certificate entitled to retain.

Originals or copies of the invoice(s) from the vendor of the property acquired or services rendered with respect to which disbursement is hereby requested are on file with the District.

WEST VILLAGES IMPROVEMENT DISTRICT

By: _____
Authorized Officer

CONSULTING ENGINEER'S APPROVAL FOR NON-COST OF ISSUANCE REQUESTS ONLY

If this requisition is for a disbursement from other than the Series 2025 Costs of Issuance Account, the undersigned Consulting Engineer hereby certifies that this disbursement is for a Cost of the Assessment Area One Project and is consistent with (a) the applicable acquisition or construction contract, (b) the plans and specifications for the portion of the Assessment Area One Project with respect to which such disbursement is being made, and (c) the report of the Consulting Engineer attached as an exhibit to the Supplemental Indenture, as such report shall have been amended or modified on the date hereof.

Consulting Engineer

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EXHIBIT D

FORM OF INVESTOR LETTER

[Date]

FMSbonds, Inc.
The FMSbonds Building
4775 Technology Way
Boca Raton, Florida 33431

Re: FMSbonds Account Number _____

To Whom it May Concern:

By signing this letter, I confirm that I have the authority to act on behalf of the above referenced account and this account meets the definition of an accredited investor based upon one or more of the criteria listed below. Federal securities laws define an accredited investor in Rule 501 of Regulation D as:

- 1. A bank, insurance company, registered investment company, business development company, or small business investment company;
2. An employee benefit plan, within the meaning of the Employee Retirement Income Security Act, if a bank, insurance company, or registered investment adviser makes the investment decisions, or if the plan has total assets in excess of \$5 million;
3. A charitable organization, corporation, or partnership with assets exceeding \$5 million;
4. A director, executive officer, or general partner of the company selling the securities;
5. A business in which all the equity owners are accredited investors;
6. A natural person who has individual net worth, or joint net worth with the person's spouse, that exceeds \$1 million at the time of the purchase, excluding the value of the primary residence of such person;
7. A natural person with income exceeding \$200,000 in each of the two most recent years or joint income with a spouse exceeding \$300,000 for those years and a reasonable expectation of the same income level in the current year; or
8. A trust with assets in excess of \$5 million, not formed to acquire the securities offered, whose purchases a sophisticated person makes.

I represent the following securities to be suitable for my investment objectives. A Copy of the offering document for the following security has been provided to me and I am aware that additional copies and other information may be found online at www.fmsbonds.com and www.emma.msrb.org.

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Description _____
CUSIP _____
Rate _____
Maturity _____
Rating _____

Thank you,

Signature

Date

Signature

Date

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APPENDIX C

PROPOSED FORM OF APPROVING OPINION OF BOND COUNSEL

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**FORM OF OPINION OF NABORS, GIBLIN & NICKERSON, P.A.,
WITH RESPECT TO THE SERIES 2025 BONDS**

Upon delivery of the Series 2025 Bonds in definitive form, Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Bond Counsel, proposes to render its opinion with respect to the Series 2025 Bonds in substantially the following form:

(Date of Closing)

Board of Supervisors
West Villages Improvement District

Board Members:

We have examined a record of proceedings relating to the issuance by the West Villages Improvement District (the "District") of its \$[Bond Amount] Capital Improvement Revenue Bonds (Unit of Development No. 12), Series 2025 (Assessment Area One) (the "Series 2025 Bonds"). The Series 2025 Bonds are issued under the authority of the laws of the State of Florida, including Chapter 2004-456, Laws of Florida, as amended (the "Act") and other applicable provisions of law, and pursuant to a Master Trust Indenture, dated as of April 1, 2025 (the "Master Indenture"), as supplemented by a First Supplemental Trust Indenture, dated as of April 1, 2025 (the "Supplemental Indenture" and together with the Master Indenture, the "Indenture"), each between the District and U.S. Bank Trust Company, National Association, as trustee (the "Trustee") and Resolution Nos. 2025-08 and 2025-12 adopted by the Board of Supervisors of the District on January 9, 2025 and March 7, 2025, respectively (collectively, the "Bond Resolution"). Capitalized terms used and not otherwise defined herein shall have the meanings ascribed thereto in the Indenture.

The Series 2025 Bonds are dated and shall bear interest from their date of delivery, except as otherwise provided in the Indenture. The Series 2025 Bonds will mature on the dates and in the principal amounts and will bear interest at the respective rates per annum, as provided in the Indenture and set forth in the Bond Purchase Contract executed in connection with the sale of the Series 2025 Bonds (the "Purchase Contract"). Interest on the Series 2025 Bonds shall be payable on each May 1 and November 1, commencing November 1, 2025. The Series 2025 Bonds are subject to redemption prior to maturity in accordance with the Indenture and as set forth in the Purchase Contract.

The Series 2025 Bonds are issued for the principal purposes of (a) financing a portion of the Cost of acquiring, constructing and equipping assessable

improvements comprising the Assessment Area One Project, (b) paying certain costs associated with the issuance of the Series 2025 Bonds, and (c) making a deposit into the Series 2025 Reserve Account to be held for the benefit of all of the Series 2025 Bonds, all as more particularly described in the Indenture. The Series 2025 Bonds are payable from and secured by the Series 2025 Assessments levied on property within the District specially benefitted by the assessable improvements financed with the proceeds of the Series 2025 Bonds and also by the Series 2025 Pledged Revenues and Series 2025 Pledged Funds comprising the Series 2025 Trust Estate.

As to questions of fact material to our opinion, we have relied upon the representations of the District contained in the Bond Resolution and the Indenture and in the certified proceedings relating thereto and to the issuance of the Series 2025 Bonds and other certifications of public officials furnished to us in connection therewith including, but not limited to, the Final Judgment issued by the Circuit Court of the Twelfth Judicial Circuit in and for Sarasota County, Florida, in connection with the validation of the Series 2025 Bonds, without undertaking to verify the same by independent investigation. Furthermore, we have assumed continuing compliance with the covenants and agreements contained in the Indenture. We have not undertaken an independent audit, examination, investigation or inspection of the matters described or contained in any agreements, documents, certificates, representations and opinions relating to the Series 2025 Bonds, and have relied solely on the facts, estimates and circumstances described and set forth therein. In our examination of the foregoing, we have assumed the genuineness of signatures on all documents and instruments, the authenticity of documents submitted as originals and the conformity to originals of documents submitted as copies.

Based on the foregoing, under existing law, we are of the opinion that:

1. The District has been duly established and validly exists as a public body, corporate and politic, and as an independent, limited, special, and single purpose local government under the Act and as an independent special district, under section 189.404, Florida Statutes, as amended.

2. The District has the right and power under the Act to authorize, execute and deliver the Indenture, and the Indenture has been duly and lawfully authorized, executed and delivered by the District, is in full force and effect in accordance with its terms and is valid and binding upon the District and enforceable in accordance with its terms. The Indenture creates the valid pledge which it purports to create of the Series 2025 Trust Estate in favor of the Series 2025 Bonds, including the Series 2025 Assessments, in the manner and to the extent provided in the Indenture.

3. The District is duly authorized and entitled to issue the Series 2025 Bonds and the Series 2025 Bonds have been duly and validly authorized and issued

by the District in accordance with the Constitution and laws of the State of Florida, the Bond Resolution and the Indenture. The Series 2025 Bonds constitute valid and binding obligations of the District as provided in the Indenture and are enforceable in accordance with their terms and the terms of the Indenture and are entitled to the benefits of the Indenture and the Act. The Series 2025 Bonds do not constitute a general indebtedness of the District or the State of Florida or any agency, department or political subdivision thereof, or a pledge of the faith and credit of such entities, but are solely payable from the Series 2025 Trust Estate in the manner and to the extent provided in the Indenture. No holder of the Series 2025 Bonds shall ever have the right to compel the exercise of any ad valorem taxing power of the District or the State of Florida or any political subdivision, agency or department thereof to pay the Series 2025 Bonds.

4. Under existing statutes, regulations, rulings and court decisions, the interest on the Series 2025 Bonds (a) is excluded from gross income for federal income tax purposes and (b) is not an item of tax preference for purposes of the federal alternative minimum tax; provided, however, with respect to certain corporations, interest on the Series 2025 Bonds is taken into account in determining the annual adjusted financial statement income for the purpose of computing the alternative minimum tax imposed on such corporations. The opinions set forth in this paragraph are subject to the condition that the District comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Series 2025 Bonds in order that interest thereon be (or continues to be) excluded from gross income for federal income tax purposes. Failure to comply with certain of such requirements could cause the interest on the Series 2025 Bonds to be so included in gross income retroactive to the date of issuance of the Series 2025 Bonds. The District has covenanted in the Indenture to comply with all such requirements. Ownership of the Series 2025 Bonds may result in collateral federal tax consequences to certain taxpayers. We express no opinion regarding such federal tax consequences arising with respect to the Series 2025 Bonds.

5. The Series 2025 Bonds and interest thereon are exempt from taxation under the laws of the State of Florida, except as to estate taxes and taxes imposed by Chapter 220, Florida Statutes, on interest, income or profits on debt obligations owned by corporations, as defined in said Chapter 220.

It should be noted that, except as may expressly be set forth in an opinion delivered by us to the underwriter for the Series 2025 Bonds on the date hereof (on which opinion only it may rely), we have not been engaged or undertaken to review (1) the accuracy, completeness or sufficiency of the Limited Offering Memorandum or other offering material relating to the Series 2025 Bonds and we express no opinion relating thereto, or (2) the compliance with any federal or state law with regard to the sale or distribution of the Series 2025 Bonds and we express no opinion relating thereto.

The opinions expressed in paragraphs 2 and 3 hereof are qualified to the extent that (1) the enforceability of the Indenture and the Series 2025 Bonds, respectively, may be limited by any applicable bankruptcy, insolvency, moratorium, reorganization or other similar laws affecting creditors' rights generally, or by the exercise of judicial discretion in accordance with general principles of equity, and (2) we have assumed the due authorization, execution and delivery of the Indenture by the Trustee.

The opinions set forth herein are expressly limited to, and we opine only with respect to, the laws of the State of Florida and the federal income tax laws of the United States of America. The only opinions rendered hereby shall be those expressly stated as such herein, and no opinion shall be implied or inferred as a result of anything contained herein or omitted herefrom.

This opinion is given as of the date hereof and we assume no obligation to update, revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

We have examined the form of the Series 2025 Bonds and, in our opinion, the form of the Series 2025 Bonds is regular and proper.

Very truly yours,

APPENDIX D

PROPOSED FORM OF CONTINUING DISCLOSURE AGREEMENT

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CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (this "Disclosure Agreement") dated as of [____], 2025 is executed and delivered by the West Villages Improvement District (the "Issuer" or the "District"), Main Street Ranchlands, LLLP, a Florida limited liability limited partnership (the "Developer"), and Special District Services, Inc., a Florida corporation, as Dissemination Agent (as defined herein) in connection with the Issuer's Capital Improvement Revenue Bonds (Unit of Development No. 12), Series 2025 (Assessment Area One) (the "Bonds"). The Bonds are secured pursuant to a Master Trust Indenture dated as of April 1, 2025 (the "Master Indenture") and a First Supplemental Trust Indenture dated as of April 1, 2025 (the "First Supplemental Indenture" and, together with the Master Indenture, the "Indenture"), each entered into by and between the Issuer and U.S. Bank Trust Company, National Association, a national banking association duly organized and existing under the laws of the United States of America and having a designated corporate trust office in Fort Lauderdale, Florida, as trustee (the "Trustee"). The Issuer, the Developer and the Dissemination Agent covenant and agree as follows:

1. **Purpose of this Disclosure Agreement.** This Disclosure Agreement is being executed and delivered by the Issuer, the Developer and the Dissemination Agent for the benefit of the Beneficial Owners (as defined herein) of the Bonds and to assist the Participating Underwriter (as defined herein) of the Bonds in complying with the Rule (as defined herein). The Issuer has no reason to believe that this Disclosure Agreement does not satisfy the requirements of the Rule and the execution and delivery of this Disclosure Agreement is intended to comply with the Rule. To the extent it is later determined by a court of competent jurisdiction, a governmental regulatory agency, or an attorney specializing in federal securities law, that the Rule requires the Issuer or other Obligated Person (as defined herein) to provide additional information, the Issuer and each Obligated Person agree to promptly provide such additional information.

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

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

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

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

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

"Assessment Area" shall mean that portion of the District lands subject to the Assessments, being more particularly described in the Limited Offering Memorandum as Assessment Area One.

"Assessments" shall mean the non-ad valorem Series 2025 Assessments pledged to the payment of the Bonds pursuant to the Indenture.

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

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

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

"Bond Year" means the annual period beginning on the second day of November of each year and ending on the first day of November of the following year.

"Business Day" means any day other than (a) a Saturday, Sunday or a day on which banks located in the city in which the designated corporate trust office of the Trustee is located are required or authorized by law or executive order to close for business, and (b) a day on which the New York Stock Exchange is closed.

"Disclosure Representative" shall mean (i) as to the Issuer, the District Manager or its designee, or such other person as the Issuer shall designate in writing to the Dissemination Agent from time to time as the person responsible for providing information to the Dissemination Agent; and (ii) as to each entity comprising an Obligated Person (other than the Issuer), the individuals executing this Disclosure Agreement on behalf of such entity or such person(s) as such entity shall designate in writing to the Dissemination Agent from time to time as the person(s) responsible for providing information to the Dissemination Agent.

"Dissemination Agent" shall mean the Issuer or an entity appointed by the Issuer to act in the capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the Issuer pursuant to Section 8 hereof. Special District Services, Inc. has been designated as the initial Dissemination Agent hereunder.

"District Manager" shall mean Special District Services, Inc., and its successors and assigns.

"EMMA" means the Electronic Municipal Market Access system for municipal securities disclosures located at <http://emma.msrb.org/>.

"EMMA Compliant Format" shall mean a format for any document provided to the MSRB (as hereinafter defined) which is in an electronic format and is accompanied by identifying information, all as prescribed by the MSRB.

"Financial Obligation" means a (a) debt obligation, (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (c) guarantee of an obligation or instrument described in either clause (a) or (b). Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"Fiscal Year" shall mean the period commencing on October 1 and ending on September 30 of the next succeeding year, or such other period of time provided by applicable law.

"Limited Offering Memorandum" shall mean that Limited Offering Memorandum dated [_____], 2025, prepared in connection with the issuance of the Bonds.

"Listed Events" shall mean any of the events listed in Section 6(a) of this Disclosure Agreement.

"MSRB" means the Municipal Securities Rulemaking Board.

"Obligated Person(s)" shall mean, with respect to the Bonds, those person(s) who either generally or through an enterprise fund or account of such persons are committed by contract or other arrangement to support payment of all or a part of the obligations on such Bonds (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities), which person(s) shall include the Issuer, and for the purposes of this Disclosure Agreement, the Developer for so long as such Developer or its affiliates, successors or assigns (excluding residential homebuyers who are end users) are the owners of District Lands responsible for payment of at least 20% of the Assessments.

"Participating Underwriter" shall mean FMSbonds, Inc.

"Quarterly Filing Date" shall mean for the quarter ending: (i) March 31, each May 1; (ii) June 30, each August 1; (iii) September 30, each November 1; and (iv) December 31, each February 1 of the following year. The first Quarterly Filing Date shall be November 1, 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 approved by the SEC may be found by visiting the SEC's website at <http://www.sec.gov/info/municipal/nrmsir.htm>. As of the date hereof, the Repository recognized by the SEC for such purpose is the MSRB, which currently accepts continuing disclosure submissions through its EMMA web portal. As used herein, "Repository" shall include the State Repository, if any.

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

"SEC" means the Securities and Exchange Commission.

"State" shall mean the State of Florida.

"State Repository" shall mean any public or private repository or entity designated by the State as a state repository for the purposes of the Rule.

3. **Provision of Annual Reports.**

(a) Subject to the following sentence, the Issuer shall provide the Annual Report to the Dissemination Agent no later than March 31st following the close of the Issuer's Fiscal Year (the "Annual Filing Date"), commencing with the Annual Report for the Fiscal Year ending September 30, 2025 which shall be due no later than March 31, 2026. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Agreement; *provided that* the Audited Financial Statements of the Issuer may be submitted separately from the balance of the Annual Report, and may be submitted in accordance with State law, which currently requires such Audited Financial Statements to be provided up to, but no later than, nine (9) months after the close of the Issuer's Fiscal Year (the "Audited Financial Statements Filing Date"). The Issuer shall file its Audited Financial Statements for the Fiscal Year ended September 30, 2024 on or before June 30, 2025. The Issuer shall, or shall cause the Dissemination Agent to, provide to the Repository the components of an Annual Report which satisfies the requirements of Section 4(a) of this Disclosure Agreement within thirty (30) days after same becomes available, but in no event later than the Annual Filing Date or Audited Financial Statements Filing Date, if applicable. If the Issuer's Fiscal Year changes, the Issuer shall give notice of such change in the same manner as for a Listed Event under Section 6.

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

(c) If the Dissemination Agent has not received an Annual Report by 12:00 noon on the first (1st) Business Day following the Annual Filing Date for the Annual Report or the Audited Financial Statements by 12:00 noon on the first (1st) Business Day following the Audited Financial Statements Filing Date for the Audited Financial Statements, then a Listed Event as described in Section 6(a)(xvii) shall have occurred and the Dissemination Agent shall immediately send a notice to the Repository in substantially the form attached as Exhibit A.

(d) The Dissemination Agent shall:

(i) determine each year prior to the Annual Filing Date the name, address and filing requirements of the Repository; and

(ii) promptly upon fulfilling its obligations under subsection (a) above, file a notice with the Issuer stating that the Annual Report or Audited Financial Statements has been provided pursuant to this Disclosure Agreement, stating the date(s) it was provided and listing all Repositories with which it was filed.

(e) All documents, reports, notices, statements, information and other materials provided to the MSRB under this Disclosure Agreement shall be provided in an EMMA Compliant Format.

4. **Content of Annual Reports.**

(a) Each Annual Report shall be in the form set in Schedule A attached hereto and shall contain the following Annual Financial Information with respect to the Issuer:

(i) All fund balances in all Funds, Accounts and subaccounts for the Bonds and the total amount of Bonds Outstanding, in each case as of September 30th of the most recent prior Fiscal Year.

(ii) The method by which Assessments are being levied (whether on-roll or off-roll) and the amounts being levied by each method in the Assessment Area for the current Fiscal Year, and a copy of the assessment roll (on roll and off roll) for the Assessments certified for collection in the Assessment Area for the current Fiscal Year.

(iii) The method by which Assessments were levied (whether on-roll or off-roll) and the amounts levied by each method in the Assessment Area for the most recent prior Fiscal Year.

(iv) The amount of Assessments collected in the Assessment Area from the property owners during the most recent prior Fiscal Year.

(v) If available, the amount of delinquencies in the Assessment Area greater than one hundred fifty (150) days, and, in the event that delinquencies amount to more than ten percent (10%) of the amounts of the Assessments due in any year, a list of delinquent property owners.

(vi) If available, the amount of tax certificates sold for lands within the Assessment Area, if any, and the balance, if any, remaining for sale from the most recent Fiscal Year.

(vii) The amount of principal and interest to be paid on the Bonds in the current Fiscal Year.

(viii) The most recent Audited Financial Statements of the Issuer.

(ix) In the event of any amendment or waiver of a provision of this Disclosure Agreement, a description of such amendment or waiver in the next Annual Report, and in each case shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change in accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements: (i) notice of such change shall be given in the same manner as for a Listed Event under Section 6(b); and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

To the extent any of the items set forth in subsections (i) through (vii) above are included in the Audited Financial Statements referred to in subsection (viii) above, they do not have to be separately set forth (unless Audited Financial Statements are being delivered later than March 31st after the close of the Issuer's Fiscal Year pursuant to Section 3(a) hereof). Any or all of the items listed above may be incorporated by reference from other documents, including limited offering memorandums and official statements of debt issues of the Issuer or related public entities, which have been submitted to the MSRB or the SEC. If the document incorporated by reference is a final limited offering memorandum or official statement, it must be available from the MSRB. The Issuer shall clearly identify each such other document so incorporated by reference.

(b) Any Annual Financial Information containing modified operating data or financial information is required to explain, in narrative form, the reasons for the modification and the impact of the change in the type of operating data or financial information being provided.

5. **Quarterly Reports.**

(a) Each Obligated Person (other than the Issuer), or the Developer on behalf of any other Obligated Person that fails to execute an Assignment (as hereinafter defined), shall provide an electronic copy of the Quarterly Report to the Dissemination Agent no later than five (5) days prior to the Quarterly Filing Date. Promptly upon receipt of an electronic copy of the Quarterly Report, but in any event no later than the applicable Quarterly Filing Date, the Dissemination Agent shall provide a Quarterly Report to the Repository.

(b) Each Quarterly Report shall contain an update of the following information to the extent available with respect to the Assessment Area only:

(i) The number of lots planned.

Lot Ownership Information

- (ii) The number of lots owned by the Developer.
- (iii) The number of lots owned by homebuilders. (Note: if the Developer and the homebuilder are the same entity, then only report the info in (ii).)
- (iv) The number of lots owned by homebuyers.

Lot Status Information

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

Home Closing Status Information

- (vii) Reserved.
- (viii) The number of homes closed with homebuyers during quarter.
- (ix) The total number of homes closed with homebuyers (cumulative).

Material Changes/Transfers

(x) Material changes to any of the following: (1) builder contracts, if applicable, (2) the number of lots planned to be developed, (3) permits/approvals, and (4) existing mortgage debt of the Obligated Person or the incurrence of new mortgage debt by the Obligated Person since the date hereof.

(xi) Any sale, assignment or transfer of ownership of lands by the Obligated Person to a third party which will in turn become an Obligated Person hereunder.

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

6. **Reporting of Listed Events.**

(a) This Section 6 shall govern the giving of notices of the occurrence of any of the following Listed Events:

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults, if material;
- (iii) Unscheduled draws on the Series 2025 Reserve Account reflecting financial difficulties;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;*
- (v) Substitution of credit or liquidity providers, or their failure to perform;*
- (vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (vii) Modifications to rights of Bond holders, if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) Defeasances;
- (x) Release, substitution, or sale of property securing repayment of the Bonds, if material;
- (xi) Rating changes;*
- (xii) Bankruptcy, insolvency, receivership or similar event of the Issuer or any Obligated Person (which is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer or any Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer or any Obligated Person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer or any Obligated Person);

* Not applicable to the Bonds at their date of issuance.

(xiii) Consummation of a merger, consolidation, or acquisition involving the Issuer or any Obligated Person or the sale of all or substantially all of the assets of the Issuer or any Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(xiv) Appointment of a successor or additional Trustee or the change of name of the Trustee, if material;

(xv) Incurrence of a Financial Obligation of the Issuer or Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer or Obligated Person, any of which affect security holders, if material;

(xvi) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the Financial Obligation of the Issuer or Obligated Person, any of which reflect financial difficulties;

(xvii) Failure to provide (A) any Annual Report or Audited Financial Statements as required under this Disclosure Agreement that contains, in all material respects, the information required to be included therein under Section 4(a) of this Disclosure Agreement, or (B) any Quarterly Report that contains, in all material respects, the information required to be included therein under Section 5(b) of this Disclosure Agreement, which failure shall, in all cases, be deemed material under federal securities laws; and

(xviii) Any amendment to the accounting principles to be followed in preparing financial statements as required pursuant to Section 4(a)(ix) hereof.

(b) The Issuer shall give, or cause to be given, notice of the occurrence of any of the above subsection (a) Listed Events to the Dissemination Agent in writing in sufficient time in order to allow the Dissemination Agent to file notice of the occurrence of such Listed Event in a timely manner not in excess of ten (10) Business Days after its occurrence, with the exception of the Listed Events described in Section 6(a)(xvii) and (xviii), which notice will be given in a timely manner. Such notice shall instruct the Dissemination Agent to report the occurrence pursuant to subsection (d) below. Such notice by the Issuer to the Dissemination Agent shall identify the Listed Event that has occurred, include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Dissemination Agent to disseminate the information (provided that such date is in compliance within the filing dates provided within this Section 6(b)).

(c) Notwithstanding anything contained in Section 6(b) above, each Obligated Person other than the Issuer shall notify the Issuer and the Dissemination Agent of the occurrence of a Listed Event described in subsections (a)(x), (xii), (xiii), (xv), (xvi), or (xvii) that has occurred with respect to such Obligated Person in compliance with the notification and filing requirements provided in Section 6(b).

(d) If the Dissemination Agent has been instructed by the Issuer to report the occurrence of a Listed Event, the Dissemination Agent shall immediately file a notice of such occurrence with each Repository.

7. **Termination of Disclosure Agreement.** This Disclosure Agreement shall terminate upon the defeasance, prior redemption or payment in full of all of the Bonds.

8. **Dissemination Agent.** Upon termination of the Dissemination Agent's services as Dissemination Agent, whether by notice of the Issuer or the Dissemination Agent, the Issuer agrees to appoint a successor Dissemination Agent or, alternatively, agrees to assume all responsibilities of Dissemination Agent under this Disclosure Agreement for the benefit of the Holders of the Bonds. If at any time there is not any other designated Dissemination Agent, the District shall be deemed to be the Dissemination Agent. The initial Dissemination Agent shall be Special District Services, Inc. The acceptance of such designation is evidenced by the execution of this Disclosure Agreement by a duly authorized signatory of Special District Services, Inc. Special District Services, Inc., may terminate its role as Dissemination Agent at any time upon delivery of sixty (60) days prior written notice to the District and each Obligated Person. The District may terminate the agreement hereunder with the Dissemination Agent at any time upon delivery of sixty (60) days prior written notice to the Dissemination Agent and each Obligated Person.

9. **Amendment; Waiver.** Notwithstanding any other provision of this Disclosure Agreement, the Issuer and the Dissemination Agent may amend this Disclosure Agreement, and any provision of this Disclosure Agreement may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws, acceptable to the Issuer, to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule.

Notwithstanding the above provisions of this Section 9, no amendment to the provisions of Section 5(b) hereof may be made without the consent of each Obligated Person, if any.

10. **Additional Information.** Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

11. **Default.** In the event of a failure of the Issuer, the Disclosure Representative, any Obligated Person or the Dissemination Agent to comply with any provision of this Disclosure Agreement, the Trustee may (and, at the request of any Participating Underwriter or the Beneficial Owners of at least twenty-five percent (25%) aggregate principal amount of Outstanding Bonds and receipt of indemnity satisfactory to the Trustee, shall), or any beneficial owner of a Bond may take such actions as may be necessary and appropriate, including seeking mandamus or specific

performance by court order, to cause the Issuer, the Disclosure Representative, any Obligated Person or a Dissemination Agent, as the case may be, to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement by any Obligated Person shall not be deemed a default by the Issuer hereunder and no default hereunder shall be deemed an Event of Default under the Indenture, and the sole remedy under this Disclosure Agreement in the event of any failure of the Issuer, the Disclosure Representative, any Obligated Person, or a Dissemination Agent, to comply with this Disclosure Agreement shall be an action to compel performance.

12. **Duties of Dissemination Agent.** The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement between the District, the Developer and such Dissemination Agent. The Dissemination Agent shall have no obligation to notify any other party hereto of an event that may constitute a Listed Event. The District, each Obligated Person and the Disclosure Representative covenant that they will supply, in a timely fashion, any information reasonably requested by the Dissemination Agent that is necessary in order for the Dissemination Agent to carry out its duties under this Disclosure Agreement. The District, each Obligated Person and the Disclosure Representative acknowledge and agree that the information to be collected and disseminated by the Dissemination Agent will be provided by the District, Obligated Person(s), the Disclosure Representative and others. The Dissemination Agent's duties do not include authorship or production of any materials, and the Dissemination Agent shall have no responsibility hereunder for the content of the information provided to it by the District, any Obligated Person or the Disclosure Representative as thereafter disseminated by the Dissemination Agent. Any filings under this Disclosure Agreement made to the MSRB through EMMA shall be in an EMMA Compliant Format.

13. **Beneficiaries.** This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Developer, the Dissemination Agent, the Trustee, the Participating Underwriter and the Owners of the Bonds (the Dissemination Agent, the Trustee, Participating Underwriter and Owners of the Bonds being hereby deemed express third party beneficiaries of this Disclosure Agreement), and shall create no rights in any other person or entity.

14. **Tax Roll and Budget.** Upon the request of the Dissemination Agent, the Trustee or any Bondholder, the Issuer, through its District Manager, if applicable, agrees to provide such party with a certified copy of its most recent tax roll provided to the Sarasota County Tax Collector and the Issuer's most recent adopted budget.

15. **Governing Law.** The laws of the State of Florida and Federal law shall govern this Disclosure Agreement and venue shall be any state or federal court having jurisdiction in Sarasota County, Florida.

16. **Counterparts.** This Disclosure Agreement may be executed in several counterparts and each of which shall be considered an original and all of which shall constitute but one and the same instrument. A scanned copy of the signatures delivered in a PDF format may be relied upon as if the original had been received.

17. **Trustee Cooperation.** The Issuer represents that the Dissemination Agent is a bona fide agent of the Issuer and the Issuer instructs the Trustee to deliver to the Dissemination Agent

at the expense of the Issuer, any information or reports readily available to and in the possession of the Trustee that the Dissemination Agent requests in writing.

18. **Binding Effect.** This Disclosure Agreement shall be binding upon each party to this Disclosure Agreement and upon each successor and assignee of each party to this Disclosure Agreement and shall inure to the benefit of, and be enforceable by, each party to this Disclosure Agreement and each successor and assignee of each party to this Disclosure Agreement. Notwithstanding the foregoing, as to the Developer or any assignee or successor thereto that becomes an Obligated Person pursuant to the terms of this Disclosure Agreement, only successors or assignees to such parties who are, by definition, Obligated Persons, shall be bound or benefited by this Disclosure Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned has executed this Disclosure Agreement as of the date and year set forth above.

**WEST VILLAGES IMPROVEMENT
DISTRICT, AS ISSUER AND OBLIGATED
PERSON**

[SEAL]

By: _____
John Luczynski, Chairperson
Board of Supervisors

ATTEST:

By: _____
_____, Secretary

**MAIN STREET RANCLANDS, LLLP, AS
OBLIGATED PERSON**

By: _____
Name: _____
Title: _____

**SPECIAL DISTRICT SERVICES, INC., and its
successors and assigns, AS DISSEMINATION
AGENT**

By: _____
Name: _____
Title: _____

CONSENTED TO AND AGREED TO BY:

DISTRICT MANAGER

**SPECIAL DISTRICT SERVICES, INC.,
AS DISTRICT MANAGER**

By: _____
Name: _____
Title: _____

Acknowledged and agreed to for purposes of
Sections 11, 13 and 17 only:

**U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION, AS TRUSTEE**

By: _____

Name: _____

Title: _____

EXHIBIT A

**FORM OF NOTICE TO REPOSITORIES OF FAILURE
TO FILE [ANNUAL REPORT]
[AUDITED FINANCIAL STATEMENTS][QUARTERLY REPORT]**

Name of Issuer: West Villages Improvement District

Name of Bond Issue: \$[_____] original aggregate principal amount of Capital Improvement Revenue Bonds (Unit of Development No. 12), Series 2025 (Assessment Area One)

Obligated Person(s): West Villages Improvement District;
_____.

Original Date of Issuance: [_____] , 2025

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 [_____] , 2025, by and between the Issuer, the Developer and the Dissemination Agent named therein. The [Issuer][Obligated Person] has advised the undersigned that it anticipates that the [Annual Report] [Audited Financial Statements] [Quarterly Report] will be filed by _____, 20____.

Dated: _____

_____, as Dissemination Agent

By: _____
Name: _____
Title: _____

cc: Issuer
Trustee

SCHEDULE A

FORM OF DISTRICT'S ANNUAL REPORT (Due 3/31)

1. Fund Balances

Combined Trust Estate Assets	<u>Quarter Ended – 12/31</u>
Acquisition and Construction Fund	
Revenue Fund	
Reserve Fund	
Prepayment Fund	
Other	
Total Bonds Outstanding	
TOTAL	

2. Assessment Certification and Collection Information

1. For the Current District Fiscal Year – Manner in which Assessments are collected (On Roll vs. Off Roll)

	<u>\$ Certified</u>
On Roll	\$ _____
Off Roll	\$ _____
TOTAL	\$ _____

2. Attach to Report the following:
- A. On Roll – Copy of certified assessment roll for the District's current Fiscal Year
 - B. Off Roll – List of folios for all off roll Assessments, together with annual Assessment assigned to each folio

3. For the immediately ended Bond Year, provide the levy and collection information

<u>Total Levy</u>	<u>\$ Levied</u>	<u>\$ Collected</u>
On Roll	\$ _____	\$ _____
Off Roll	\$ _____	\$ _____
TOTAL		

4. If available, the amount of delinquencies in the Assessment Area greater than one hundred fifty (150) days, and, in the event that delinquencies amount to more than ten percent (10%) of the amount of the Assessments due in any year, a list of delinquent property owners

5. If available, the amount of tax certificates sold for lands within the Assessment Area, if any, and the balance, if any, remaining for sale from the most recent Fiscal Year

6. The amount of principal and interest to be paid on the Bonds in the current Fiscal Year

APPENDIX E

ASSESSMENT METHODOLOGY

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Master Special Assessment Methodology Report

WEST VILLAGES IMPROVEMENT DISTRICT
Unit of Development No. 12

January 9, 2025

SPECIAL DISTRICT SERVICES, INC

2501A Burns Road
Palm Beach Gardens, Florida 33410
561-630-4922

1.0 INTRODUCTION

The West Villages Improvement District (the “District”) is a local unit of special-purpose government with portions located in the City of North Port, Florida (the “City”) within Sarasota County, Florida (the “County”). The District was created in June 2004 by Chapter 2004-456, Laws of Florida, a special act of the Florida Legislature (the “Act”). The Act provides legal authority for the District to finance the acquisition, construction, operation, and maintenance of the public infrastructure improvements authorized by the Act. In order to address its authorized purpose, the District has and continues to create separate Units of Development. This Master Special Assessment Methodology Report (the “Master Report”) applies exclusively to Unit of Development No. 12 (“Unit No. 12”) of the District and the plan of development which currently contemplates a total of 821 residential dwelling units of varying product types.

Unit No. 12 includes approximately 320.24+/- acres and was created by the District to acquire and construct public infrastructure improvements designed to provide special benefit to the lands within Unit No. 12 (the "Unit No. 12 Improvements"). The West Villages Improvement District Unit of Development No. 12 Master Engineer’s Report dated January 9, 2025 (the "Engineer's Report") was prepared by Dewberry Engineers Inc., 2201 Cantu Court, Suite 107, Sarasota, Florida (the “District Engineer”), and sets forth the Unit No. 12 Improvements including earthwork; roadways, stormwater improvements; water and sewer facilities; irrigation facilities; landscaping and streetlighting, and consulting and contingencies (collectively, the “Project”). The total estimated costs of the Project are \$66,452,750.

The District could issue up to approximately \$81,000,000 of Capital Improvement Revenue Bonds (the “Bonds”) if the District were to finance the entire Project, as described in the Engineer’s Report. It is expected that the District will finance only a portion of the Project with the issuance of Bonds in one or more series.

This Master Report will equitably allocate the costs being incurred by the District to provide the Unit No. 12 Improvements to the assessable lands within Unit No. 12 in the District. The implementation of the Project will convey special and peculiar benefits to the assessable properties within Unit No. 12 in the District. The Bonds issued to finance the Project will be repaid through the levy of non-ad valorem special assessments on all assessable property within Unit No. 12.

2.0 PROJECTS TO BE FUNDED BY THE DISTRICT

The Project as designed is an integrated system of facilities that provides specific benefits to all of the assessable lands within Unit No. 12. The total cost of the Project is currently estimated to be \$66,452,750. A detail of the estimated Project costs is included herein on **Table A**.

Since it is contemplated that the Project will be developed in phases, the Project has been designed to be functional and confer special benefits to all landowners within Unit No. 12, prior to all phases being completed. Under such a phasing plan, each phase or portion of the Project can be financed independently of the other phases. As the finance program is implemented, supplemental methodology reports will be issued detailing the particulars of a specific bond issue. The supplemental report(s) will apply the principles set forth herein to determine the specific assessments required to repay the bonds issued to fund the then current development program.

The Project area consists of approximately 320.24 gross acres of land and is anticipated to include approximately 821 residential units of various unit types as outlined on **Table C**.

The Bonds, when issued will be repaid through the levy of non-ad valorem special assessments on all assessable property within Unit No. 12. Any portion of the Project not financed through the issuance of the Bonds will be paid for by Main Street Ranchlands, LLLP or its successors or assigns (collectively, the “Developer”).

The construction costs for the Project identified in this Master Report were provided by the District Engineer. Special District Services, Inc., as District Manager, makes no representation regarding the accuracy or validity of those costs and did not undertake any analysis or verification regarding such costs.

3.0 FUNDING OF IMPROVEMENTS

To defray the costs of construction or acquisition, of all or a portion of the Project, the District will impose non-ad valorem special assessments on benefited real property within Unit No. 12. These assessments are based on the special and peculiar benefits accruing to such property from the improvements comprising the Project. The use of non-ad valorem special assessments has an advantage in that the properties that receive the special benefits from the Project are the only properties that are obligated to pay for those facilities and services. Without these improvements, development of the property would not be possible.

In summary, special assessments may be levied: (1) for facilities which provide special benefits to property as distinct from general benefits, (2) only against property which receives that special benefit, (3) in proportion to the benefits received by the properties, and (4) according to fair and reasonable methods that the governing body of the jurisdiction determines. The special assessments placed upon various benefited properties in Unit No. 12 must be sufficient to cover the debt service of the Bonds that will be issued for financing all or a portion of the Project. The assessments must be fairly and reasonably allocated to the properties being assessed.

4.0 ALLOCATION OF BENEFIT AND ASSESSMENTS

In developing the methodology used for special assessments in the District, two interrelated factors were used:

- A.** Allocation of Benefit: Each parcel of land, lot and/or unit within Unit No. 12 in the District benefits from the construction and financing of the proposed improvements.
- B.** Allocation of Cost/Debt: The special assessments imposed on each parcel of land, lot and/or unit within Unit No. 12 cannot exceed the value of the benefits provided to such parcel of land, lot and/or unit.

Upon the sale of the proposed Bonds, the District’s debt will be allocated to the gross acreage within Unit No. 12 which totals approximately 320.24+/- acres and upon platting, to each platted parcel and/or residential dwelling unit/lot in Unit No. 12 on an Equivalent Residential Unit (“*ERU*”) basis and on the remaining unplatted land on an equal acreage basis. As platting occurs the debt assessments will be assigned on a first platted first assessed basis to platted parcels and residential dwelling units/lots receiving property folio numbers; and allocated on an *ERU* basis as shown herein on **Table C** and **Table F**. For the purpose of this Master Report each 50’ single family residential dwelling unit will be the base unit upon which other product types will be compared to and has been assigned a 1.00

ERU. Any Front Footage (“FF”) product type not specifically stated in this Master Report will be assigned an *ERU* Factor based on the FF of such new product using 50’ as the baseline. (Refer to **Table C** attached hereto for proposed *ERU* Factors.)

Given the District’s approved land use plan and the type of infrastructure to be funded by the proposed special assessments, this method results in a fair allocation of benefits and an equitable allocation of costs for the Project. The special benefit received and applied to each parcel and/or residential dwelling unit/lot as a result of the construction of public infrastructure improvements will exceed the cost of such units allocated to each parcel and/or unit/lot. However, if the future platting results in changes in land use or proportion of benefit per acre and/or unit type, this allocation methodology may not be applicable and it may be necessary for the District to revise the allocation methodology.

To the extent land is sold in bulk to a third party, prior to platting, then the District will assign debt based upon the development rights conveyed based upon the *ERU* factors as shown herein on **Table C**.

5.0 COLLECTION OF SPECIAL ASSESSMENTS

The proposed special assessments for the District are planned to be collected through the Uniform Method of Collection described in Section 197.3632, *Florida Statutes* (“*F.S.*”) for platted lots, or any other legal means available to the District.

Since there are costs associated with the collection of the special assessments (whether by uniform method of collection as authorized under Section 197.3632, *F.S.*, or other methods allowed by Florida law), these costs must also be included in the special assessment levy. These costs generally include the 1% collection fee of the County Tax Collector, a 1% service fee of the County Property Appraiser and a 4% discount for early payment of taxes. These additional costs may be reflected by dividing the annual debt service and maintenance assessment amounts by a factor of 0.94. In the event the special assessments are direct billed, then, the collection costs and discounts may not apply.

6.0 FINANCING STRUCTURE

The estimated cost of construction for the Project is \$66,452,750. The construction program and the costs associated with Unit No. 12 are identified herein on **Table A**.

All or a portion of the capital improvements comprising the Project are assumed to be financed by the Bonds which, when issued, will be payable from and secured by special assessments levied annually against all assessable properties within Unit No. 12 in the District which totals approximately 320.24+/- acres. Based on current market conditions the total aggregate principal amount of the Bonds (approximately \$81,000,000) for Unit No. 12 is shown herein on **Table B**. The proceeds of the Bonds will provide a maximum of approximately \$66,452,750 for construction related costs. The sizing of the Bonds is assumed to include capitalized interest, if so required, a debt service reserve fund equal to the maximum annual debt service and issuance costs as shown herein on **Table B**. (Note: The District may not issue the total Par Debt of \$81,000,000 referenced in this Master Report.)

7.0 MODIFICATIONS, REVISIONS AND TRUE-UP MECHANISM

Allocation of costs and debt, shown herein on **Table C** and **Table D**, for the infrastructure improvements financed by the District for the Project (estimated at \$66,452,750) is initially based on the estimated number of product types and residential dwelling units (821) projected to be constructed within Unit No. 12 in the District and benefited by the infrastructure improvements comprising the

Project. Based on a Bond size of approximately \$81,000,000 at an assumed interest rate of 7.50% the estimated annual debt service on the Unit No. 12 Bonds will be approximately \$6,858,370 which has not been grossed up to include the 1% County Tax Collector fee, 1% County Property Appraiser fee, and 4% discount for early payment of taxes.

To ensure that each platted parcel or unit is assessed no more than their pro-rata amount of the annual debt service shown in **Table E** and **Table F**, the District will be required to perform a “true-up” analysis, which requires a computation at the time of submission of each plat or re-plat to determine the potential remaining assessable units. The District shall, at the time a plat or re-plat is submitted to the City and/or County:

- A. Assume that the total number of *ERUs* relative to the Project is at least 689.
- B. Ascertain the number of assessable residential parcels/lots in the plat (unrecorded at this time) or re-plat and any prior plats (“Planned Assessable Units/Lots”) and total amount of *ERUs* associated with such Planned Assessable Units/Lots.
- C. Ascertain the current amount of potential remaining assessable parcels/lots (“Remaining Assessable Units/Lots,” and together with the Planned Assessable Units/Lots, the “Total Assessable Units/Lots”) and total number of *ERUs* associated with the Remaining Assessable Units/Lots.

If the sum of the *ERUs* associated with the Total Assessable Units/Lots are equal to 689, then no action would be required at that time. However, if the sum of the *ERUs* associated with the Total Assessable Units/Lots is less than 689, then the Developer will be obligated to remit to the District an amount of money sufficient to enable the District to retire an amount of proposed Bonds such that the amount of debt service allocated to each *ERU* associated with the Total Assessable Units/Lots does not exceed the amounts set forth in **Table D**. Conversely, if the sum of the *ERUs* associated with the Total Assessable Units/Lots is more than 689 after the filing of the final plat for the Project, then the District shall equitably reallocate the assessments resulting in a reduction in the par debt allocations per unit type set forth in **Table D**.

All assessments levied run with the land. A determination of a true-up payment shall be at the sole discretion of the District. It is the responsibility of the landowner of record to make any required true-up payments that are due including any accrued interest. The District will not release any liens on the property for which true-up payments are due until provision for such payment has been satisfied. It is recommended that the true-up mechanism be formalized in an agreement between the District and the Developer.

In the event that additional land is annexed into Unit No. 12 which is currently not subject to the assessments and is developed in such a manner as to receive special benefit from the Project described herein, it will be necessary for this assessment methodology to be re-applied to include such parcels. The additional land will, as a result of re-applying this allocation methodology, then be allocated an appropriate share of the special assessments while all currently assessed parcels will receive a relative reduction in their assessments.

8.0 PRELIMINARY ASSESSMENT ROLL

As previously described in this Master Report, the debt associated with the District’s improvement plan will be initially distributed on an equal acreage basis on all of the benefiting acreage within Unit No. 12 in the District as outlined herein on **Table F** and **Exhibit “A”** attached hereto. As plats are approved, parcels and/or lot/units within Unit No. 12 will be assessed in the manner described herein.

The lands within Unit No. 12 consist of approximately 320.24+/- acres as described in **Exhibit “A”** attached hereto. As of the date of this Master Report, Unit No. 12 is unplatted. The anticipated par amount of Bonds to be issued by the District to pay for the Project is approximately \$81,000,000. Prior to final plat approval the assessments levied against the lands within Unit No. 12 in the District will be apportioned on a gross acre basis. Therefore, each gross acre of land in Unit No. 12 in the District will be assessed a maximum of approximately \$22,783 annually as outlined herein on **Table F**. When fully developed, Unit No. 12 is expected to contain approximately 821 residential dwelling units of varying product types.

9.0 ADDITIONAL STIPULATIONS

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. Special District Services, Inc. makes no representations regarding said information transactions beyond restatement of the factual information necessary for compilation of this Master Report.

Special District Services, Inc. does not represent the District as a Municipal Advisor or Securities Broker nor is Special District Services, Inc. registered to provide such services as described in Section 15B of the Securities and Exchange Act of 1934, as amended. Similarly, Special District Services, Inc. does not provide the District with financial advisory services or offer investment advice in any form.

TABLE A

PROJECT COST ESTIMATES

**WEST VILLAGES IMPROVEMENT DISTRICT
UNIT 12**

	Offsite Master Improvements	Oakbend	East Common	West Lake	Total
EARTHWORK	\$ -	\$ 6,400,000	\$ 4,000,000	\$ 8,450,000	\$ 18,850,000
MASTER IRRIGATION	\$ -	\$ 250,000	\$ 250,000	\$ 500,000	\$ 1,000,000
DRAINAGE AND WATER MANAGEMENT	\$ -	\$ 1,000,000	\$ 400,000	\$ 1,000,000	\$ 2,400,000
POTABLE WATER	\$ -	\$ 905,000	\$ 350,000	\$ 1,100,000	\$ 2,355,000
WASTEWATER	\$ -	\$ 1,500,000	\$ 580,000	\$ 1,300,000	\$ 3,380,000
PROFESSIONAL SERVICES	\$ 4,470,000	\$ 1,508,250	\$ 837,000	\$ 1,852,500	\$ 8,667,750
COLLECTOR AND ARTERIAL ROADS	\$ 21,700,000	\$ -	\$ -	\$ -	\$ 21,700,000
WASTEWATER TREATMENT PLANT	\$ 4,100,000	\$ -	\$ -	\$ -	\$ 4,100,000
WATER TREATMENT PLANT	\$ 3,500,000	\$ -	\$ -	\$ -	\$ 3,500,000
PARKS/GOVERNMENT	\$ 500,000	\$ -	\$ -	\$ -	\$ 500,000
Total	\$ 34,270,000	\$ 11,563,250	\$ 6,417,000	\$ 14,202,500	\$ 66,452,750

TABLE B

BOND SIZING

**WEST VILLAGES IMPROVEMENT DISTRICT
UNIT 12**

	BOND SIZING
Par Amount*	\$ 81,000,000 *
Debt Service Reserve Fund (DSRF)	\$ (6,858,370)
Capitalized Interest (12 months)	\$ (6,075,000)
Issuance Costs	\$ (1,613,880)
Construction Funds	\$ 66,452,750
Bond Interest Rate	7.50%
Principal Amortization Period (Years)	30

*Subject to change at final bond pricing

TABLE C

ALLOCATION OF PROJECT COSTS

**WEST VILLAGES IMPROVEMENT DISTRICT
UNIT 12**

Neighborhood	Product	Number of Units by Type	ERU Factor*	Total ERUs	Project Cost Allocation Per Type	Project Cost Allocation Per Unit*
Bexley	Townhome 20'	30	0.40	12.00	\$ 1,157,377	\$ 38,579
Bexley	Townhome 26'	30	0.52	15.60	\$ 1,504,591	\$ 50,153
Bexley	Duplex 33'	25	0.66	16.50	\$ 1,591,394	\$ 63,656
Bexley	Single-Family 55'	90	1.10	99.00	\$ 9,548,363	\$ 106,093
Bexley	Single-Family 70'	50	1.40	70.00	\$ 6,751,368	\$ 135,027
Oakbend	Single-Family 50'	92	1.00	92.00	\$ 8,873,226	\$ 96,448
Oakbend	Single-Family 60'	89	1.20	106.80	\$ 10,300,658	\$ 115,738
Westlake	Single-Family 52'	70	1.04	72.80	\$ 7,021,423	\$ 100,306
Westlake	Single-Family 75'	51	1.50	76.50	\$ 7,378,281	\$ 144,672
Westlake	6-Plex Carriage	90	0.50	45.00	\$ 4,340,165	\$ 48,224
Westlake	8-Plex Carriage	24	0.45	10.80	\$ 1,041,640	\$ 43,402
Westlake	30 Unit Building	180	0.40	72.00	\$ 6,944,264	\$ 38,579
	Total	821	N/A	689.00	\$ 66,452,750	N/A

*Rounded

TABLE D**ALLOCATION OF BOND DEBT****WEST VILLAGES IMPROVEMENT DISTRICT
UNIT 12**

Neighborhood	Product	Number of Units by Type	ERU Factor*	Total ERUs	Bond Debt Allocation Per Type	Bond Debt Allocation Per Unit*
Bexley	Townhome 20'	30	0.40	12.00	\$ 1,410,740	\$ 47,025
Bexley	Townhome 26'	30	0.52	15.60	\$ 1,833,962	\$ 61,132
Bexley	Duplex 33'	25	0.66	16.50	\$ 1,939,768	\$ 77,591
Bexley	Single-Family 55'	90	1.10	99.00	\$ 11,638,607	\$ 129,318
Bexley	Single-Family 70'	50	1.40	70.00	\$ 8,229,318	\$ 164,586
Oakbend	Single-Family 50'	92	1.00	92.00	\$ 10,815,675	\$ 117,562
Oakbend	Single-Family 60'	89	1.20	106.80	\$ 12,555,588	\$ 141,074
Westlake	Single-Family 52'	70	1.04	72.80	\$ 8,558,491	\$ 122,264
Westlake	Single-Family 75'	51	1.50	76.50	\$ 8,993,469	\$ 176,343
Westlake	6-Plex Carriage	90	0.50	45.00	\$ 5,290,276	\$ 58,781
Westlake	8-Plex Carriage	24	0.45	10.80	\$ 1,269,666	\$ 52,903
Westlake	30 Unit Building	180	0.40	72.00	\$ 8,464,441	\$ 47,025
	Total	821	N/A	689.00	\$ 81,000,000	N/A

*Rounded

TABLE E

CALCULATION OF ANNUAL DEBT SERVICE

**WEST VILLAGES IMPROVEMENT DISTRICT
UNIT 12**

	2025 Series Bond Debt
1 Maximum Annual Debt Service	\$ 6,858,370.10
2 Maximum Annual Debt Service Assessment to be Collected	\$ 7,296,138.40 *
3 Total Number of Gross Acres	320.24
4 Maximum Annual Debt Service per Gross Acre	\$22,783.34
5 Total Number of Residential Units Planned	821
6 Maximum Annual Debt Service per Unit Type	See Table F

*Grossed up to include 1% collection fee of the County Tax Collector, 1% service fee of the County Property Appraiser and 4% for early payment of taxes.

TABLE F
ALLOCATION OF DEBT SERVICE ASSESSMENTS

WEST VILLAGES IMPROVEMENT DISTRICT
UNIT 12

Neighborhood	Product	Number of Units by Type	ERU Factor*	Total ERUs	**Maximum Annual Debt Assessment Per Unit Type*	**Maximum Annual Debt Assessment Per Unit*
Bexley	Townhome 20'	30	0.40	12.00	\$ 127,073.53	\$ 4,235.78
Bexley	Townhome 26'	30	0.52	15.60	\$ 165,195.59	\$ 5,506.52
Bexley	Duplex 33'	25	0.66	16.50	\$ 174,726.10	\$ 6,989.04
Bexley	Single-Family 55'	90	1.10	99.00	\$ 1,048,356.61	\$ 11,648.41
Bexley	Single-Family 70'	50	1.40	70.00	\$ 741,262.25	\$ 14,825.24
Oakbend	Single-Family 50'	92	1.00	92.00	\$ 974,230.38	\$ 10,589.46
Oakbend	Single-Family 60'	89	1.20	106.80	\$ 1,130,954.40	\$ 12,707.35
Westlake	Single-Family 52'	70	1.04	72.80	\$ 770,912.74	\$ 11,013.04
Westlake	Single-Family 75'	51	1.50	76.50	\$ 810,093.74	\$ 15,884.19
Westlake	6-Plex Carriage	90	0.50	45.00	\$ 476,525.73	\$ 5,294.73
Westlake	8-Plex Carriage	24	0.45	10.80	\$ 114,366.18	\$ 4,765.26
Westlake	30 Unit Building	180	0.40	72.00	\$ 762,441.17	\$ 4,235.78
	TOTAL	821	N/A	689.00	\$ 7,296,138	N/A

*Rounded

**Grossed up to include 1% collection fee of the County Tax Collector, 1% service fee of the County Property Appraiser and 4% for early payment of taxes.

Folio ID#'s and/or Parcel Plat Description	Developable Acreage by Parcel	**Maximum Annual Debt Assessment Per Acre*	Par Debt Per Acre	Total Par Debt
Gross Acreage	320.24	\$ 22,783.34	\$ 252,935.30	\$81,000,000.00
TOTALS		N/A	N/A	\$81,000,000.00

*Rounded

**Grossed up to include 1% collection fee of the County Tax Collector, 1% service fee of the County Property Appraiser and 4% for early payment of taxes.

Exhibit "A"



UNIT 12:

OAKBEND PHASE 1	= ±64.20 AC
OAKBEND PHASE 2	= ±21.03 AC
EAST COMMONS	= ±65.14 AC
WEST LAKE	= ±160.34 AC
WELLEN PARB BLVD.	= ±4.05 AC
PRETO BLVD.	= ±5.49 AC
TOTAL	= 320.24 AC

**WEST VILLAGES - UNIT 12
VILLAGE D**



EXHIBIT 'A'



Exhibit "A"

EXHIBIT "B"

UNIT NO. 12 BOUNDARY

LEGAL DESCRIPTION (BY STANTEC)

A TRACT OF LAND OF LYING IN SECTIONS 31 & 32, TOWNSHIP 29 SOUTH, RANGE 20 EAST AND SECTION 5, TOWNSHIP 40 SOUTH, RANGE 20 EAST, SARASOTA COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGIN AT THE SOUTHWEST CORNER OF TRACT 7 OF WELLEN PARK DOWNTOWN PHASE 1 RECORDED IN PLAT BOOK 54, PAGE 331 OF THE PUBLIC RECORDS OF SARASOTA COUNTY, FLORIDA; THENCE S.85°51'13"E. ALONG THE SOUTH LINE OF SAID TRACT 7, A DISTANCE OF 98.11 FEET TO THE POINT OF CURVATURE OF A NON-TANGENT CURVE TO THE RIGHT, HAVING A RADIUS OF 105.00 FEET AND A CENTRAL ANGLE OF 54°25'40"; THENCE SOUTHERLY, LEAVING SAID SOUTH LINE, ALONG THE ARC OF SAID CURVE, A DISTANCE OF 99.74 FEET, SAID CURVE HAVING A CHORD BEARING AND DISTANCE OF S.01°55'38"W., 96.04 FEET, TO THE POINT OF CURVATURE OF A REVERSE CURVE TO THE LEFT HAVING A RADIUS OF 75.00 FEET AND A CENTRAL ANGLE OF 126°37'57"; THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 165.76 FEET, TO THE POINT OF TANGENCY OF SAID CURVE; THENCE N.82°30'31"E., A DISTANCE OF 9.35 FEET TO A POINT OF CURVATURE OF A CURVE TO THE RIGHT HAVING A RADIUS OF 155.00 FEET AND A CENTRAL ANGLE OF 36°07'45"; THENCE EASTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 97.74 FEET, TO THE POINT OF TANGENCY OF SAID CURVE; THENCE S.61°21'43"E., A DISTANCE OF 26.42 FEET TO A POINT OF CURVATURE OF A CURVE TO THE LEFT HAVING A RADIUS OF 195.00 FEET AND A CENTRAL ANGLE OF 17°35'16"; THENCE EASTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 59.86 FEET, TO THE POINT OF CURVATURE OF A REVERSE CURVE TO THE RIGHT HAVING A RADIUS OF 475.00 FEET AND A CENTRAL ANGLE OF 07°43'23"; THENCE EASTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 64.03 FEET, TO THE END OF SAID CURVE; THENCE N.18°46'24"E. ALONG A LINE NON-TANGENT TO SAID CURVE, A DISTANCE OF 39.50 FEET TO A POINT OF CURVATURE OF A CURVE TO THE LEFT HAVING A RADIUS OF 40.00 FEET AND A CENTRAL ANGLE OF 29°18'58"; THENCE NORTHERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 20.47 FEET, TO THE POINT OF TANGENCY OF SAID CURVE; THENCE N.10°32'34"W., A DISTANCE OF 78.34 FEET TO A POINT OF CURVATURE OF A CURVE TO THE RIGHT HAVING A RADIUS OF 25.00 FEET AND A CENTRAL ANGLE OF 12°54'24"; THENCE NORTHERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 5.63 FEET, TO THE POINT OF CURVATURE OF A REVERSE CURVE TO THE LEFT HAVING A RADIUS OF 377.81 FEET AND A CENTRAL ANGLE OF 24°16'38"; THENCE NORTHERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 160.08 FEET, TO THE POINT OF CURVATURE OF A REVERSE CURVE TO THE RIGHT HAVING A RADIUS OF 159.00 FEET AND A CENTRAL ANGLE OF 67°14'07"; THENCE NORTHERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 186.58 FEET, TO THE POINT OF TANGENCY OF SAID CURVE; THENCE N.45°19'20"E., A DISTANCE OF 136.98 FEET TO A POINT OF CURVATURE OF A CURVE TO THE RIGHT HAVING A RADIUS OF 86.00 FEET AND A CENTRAL ANGLE OF 91°44'50"; THENCE EASTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 137.71 FEET, TO THE POINT OF CURVATURE OF A REVERSE CURVE TO THE LEFT HAVING A RADIUS OF 1,117.00 FEET AND A CENTRAL ANGLE OF 18°43'04"; THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 364.91 FEET, TO THE POINT OF CURVATURE OF A COMPOUND CURVE TO THE LEFT HAVING A RADIUS OF 120.00 FEET AND A CENTRAL ANGLE OF 65°58'08"; THENCE EASTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 138.16 FEET, TO THE POINT OF TANGENCY OF SAID CURVE; THENCE N.52°22'59"E., A DISTANCE OF 50.14 FEET TO A POINT OF CURVATURE OF A CURVE TO THE LEFT HAVING A RADIUS OF 61.00 FEET AND A CENTRAL ANGLE OF 84°57'31"; THENCE NORTHERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 90.45 FEET, TO THE END OF SAID CURVE; THE FOLLOWING FOURTEEN (14) CALLS ARE ALONG THE BOUNDARY LINE OF SAID TRACT 7 OF WELLEN PARK DOWNTOWN PHASE 1: (1) THENCE S.35°52'06"E. ALONG A LINE NON-TANGENT TO SAID CURVE, A DISTANCE OF 109.04 FEET TO A POINT OF CURVATURE OF A CURVE TO THE LEFT HAVING A RADIUS OF 44.00 FEET AND A CENTRAL ANGLE OF 81°09'10"; (2) THENCE EASTERLY ALONG THE

Exhibit "A"

ARC OF SAID CURVE, A DISTANCE OF 62.32 FEET, TO THE POINT OF TANGENCY OF SAID CURVE; (3) THENCE N.62°58'44"E., A DISTANCE OF 59.37 FEET TO A POINT OF CURVATURE OF A CURVE TO THE LEFT HAVING A RADIUS OF 44.00 FEET AND A CENTRAL ANGLE OF 77°51'48"; (4) THENCE NORTHEASTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 59.79 FEET, TO THE POINT OF TANGENCY OF SAID CURVE; (5) THENCE N.14°53'03"W., A DISTANCE OF 103.89 FEET TO A POINT OF CURVATURE OF A CURVE TO THE RIGHT HAVING A RADIUS OF 82.00 FEET AND A CENTRAL ANGLE OF 80°41'12"; (6) THENCE NORTHEASTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 115.48 FEET, TO THE POINT OF TANGENCY OF SAID CURVE; (7) THENCE N.65°48'08"E., A DISTANCE OF 294.24 FEET TO THE POINT OF CURVATURE OF A NON-TANGENT CURVE TO THE LEFT, HAVING A RADIUS OF 68.00 FEET AND A CENTRAL ANGLE OF 117°31'30"; (8) THENCE NORTHERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 139.48 FEET, SAID CURVE HAVING A CHORD BEARING AND DISTANCE OF N.07°03'19"E., 116.28 FEET, TO THE POINT OF CURVATURE OF A REVERSE CURVE TO THE RIGHT HAVING A RADIUS OF 97.00 FEET AND A CENTRAL ANGLE OF 53°18'51"; (9) THENCE NORTHWESTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 90.26 FEET, TO THE POINT OF CURVATURE OF A REVERSE CURVE TO THE LEFT HAVING A RADIUS OF 59.00 FEET AND A CENTRAL ANGLE OF 47°10'03"; (10) THENCE NORTHERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 48.57 FEET, TO THE POINT OF CURVATURE OF A REVERSE CURVE TO THE RIGHT HAVING A RADIUS OF 196.00 FEET AND A CENTRAL ANGLE OF 29°08'24"; (11) THENCE NORTHWESTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 99.68 FEET, TO THE POINT OF CURVATURE OF A REVERSE CURVE TO THE LEFT HAVING A RADIUS OF 154.00 FEET AND A CENTRAL ANGLE OF 37°34'21"; (12) THENCE NORTHWESTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 100.99 FEET, TO THE POINT OF CURVATURE OF A REVERSE CURVE TO THE RIGHT HAVING A RADIUS OF 96.00 FEET AND A CENTRAL ANGLE OF 90°04'15"; (13) THENCE NORTHERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 150.91 FEET, TO THE POINT OF CURVATURE OF A REVERSE CURVE TO THE LEFT HAVING A RADIUS OF 438.00 FEET AND A CENTRAL ANGLE OF 63°20'25"; (14) THENCE NORTHERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 484.21 FEET, TO THE END OF SAID CURVE; THENCE N.62°48'14"E. ALONG A LINE NON-TANGENT TO SAID CURVE, A DISTANCE OF 89.55 FEET TO THE POINT OF CURVATURE OF A NON-TANGENT CURVE TO THE RIGHT, HAVING A RADIUS OF 300.00 FEET AND A CENTRAL ANGLE OF 02°39'53"; THENCE NORTHWESTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 13.95 FEET, SAID CURVE HAVING A CHORD BEARING AND DISTANCE OF N.25°51'50"W., 13.95 FEET, TO THE POINT OF CURVATURE OF A COMPOUND CURVE TO THE RIGHT HAVING A RADIUS OF 600.00 FEET AND A CENTRAL ANGLE OF 02°35'48"; THENCE NORTHWESTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 27.19 FEET, TO THE END OF SAID CURVE; THENCE N.28°46'42"E. ALONG A LINE NON-TANGENT TO SAID CURVE, A DISTANCE OF 68.30 FEET; THENCE N.31°25'41"E., A DISTANCE OF 52.59 FEET; THENCE N.39°50'18"E., A DISTANCE OF 51.87 FEET; THENCE N.38°22'55"E., A DISTANCE OF 74.39 FEET; THENCE N.16°31'25"E., A DISTANCE OF 42.39 FEET; THENCE N.11°39'16"E., A DISTANCE OF 55.61 FEET; THENCE N.49°43'42"E., A DISTANCE OF 38.04 FEET; THENCE N.28°42'35"E., A DISTANCE OF 16.66 FEET; THENCE N.11°07'03"W., A DISTANCE OF 30.44 FEET; THENCE N.43°38'28"E., A DISTANCE OF 63.15 FEET; THENCE N.34°01'32"E., A DISTANCE OF 80.87 FEET; THENCE N.84°03'35"E., A DISTANCE OF 56.80 FEET; THENCE N.62°31'55"E., A DISTANCE OF 61.17 FEET; THENCE N.86°30'02"E., A DISTANCE OF 56.57 FEET; THENCE N.87°54'57"E., A DISTANCE OF 44.39 FEET; THENCE S.76°02'53"E., A DISTANCE OF 48.86 FEET; THENCE S.39°57'56"E., A DISTANCE OF 48.60 FEET; THENCE S.72°01'56"E., A DISTANCE OF 42.00 FEET; THENCE S.50°11'21"E., A DISTANCE OF 49.78 FEET; THENCE S.88°14'48"E., A DISTANCE OF 34.11 FEET; THENCE S.70°19'11"E., A DISTANCE OF 24.70 FEET; THENCE N.36°17'44"E., A DISTANCE OF 29.26 FEET; THENCE S.78°35'14"E., A DISTANCE OF 53.83 FEET; THENCE S.72°01'51"E., A DISTANCE OF 42.79 FEET; THENCE N.40°24'06"E., A DISTANCE OF 22.53 FEET; THENCE N.75°44'30"E., A DISTANCE OF 72.75 FEET; THENCE S.78°07'11"E., A DISTANCE OF 48.11 FEET; THENCE N.49°58'58"E., A DISTANCE OF 14.80 FEET; THENCE N.14°48'01"E., A DISTANCE OF 46.22 FEET; THENCE N.79°23'10"E., A DISTANCE OF 63.56 FEET; THENCE N.50°32'03"E., A DISTANCE OF 59.55 FEET; THENCE N.30°55'22"E., A DISTANCE OF 62.09 FEET; THENCE S.82°02'22"E., A DISTANCE OF 91.19 FEET; THENCE S.11°36'24"E., A DISTANCE OF 88.00 FEET; THENCE S.00°18'02"W., A DISTANCE OF 96.39 FEET; THENCE S.04°02'45"W., A DISTANCE OF 8.34 FEET; THENCE N.88°45'02"E., A DISTANCE OF 8.73 FEET; THENCE S.40°57'08"E., A DISTANCE OF 73.63 FEET; THENCE

Exhibit "A"

S.24°26'17"W., A DISTANCE OF 62.94 FEET TO A POINT ON THE NORTHERLY LINE OF PARCEL 771 RECORDED IN OFFICIAL INSTRUMENT NUMBER 2009155882 OF SAID PUBLIC RECORDS, ALSO BEING THE POINT OF CURVATURE OF A NON-TANGENT CURVE TO THE LEFT, HAVING A RADIUS OF 390.00 FEET AND A CENTRAL ANGLE OF 00°24'02"; THE FOLLOWING THREE (3) CALLS ARE ALONG THE NORTHERLY LINE OF PARCEL 771 AND ITS EASTERLY EXTENSION: (1) THENCE EASTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 2.73 FEET, SAID CURVE HAVING A CHORD BEARING AND DISTANCE OF N.70°16'26"E., 2.73 FEET, TO THE POINT OF CURVATURE OF A REVERSE CURVE TO THE RIGHT HAVING A RADIUS OF 57.76 FEET AND A CENTRAL ANGLE OF 20°25'58"; (2) THENCE EASTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 20.60 FEET, TO THE POINT OF TANGENCY OF SAID CURVE; (3) THENCE S.89°29'37"E., A DISTANCE OF 105.16 FEET TO A POINT ON THE WEST RIGHT-OF-WAY LINE OF WEST VILLAGES PARKWAY (VARIABLE WIDTH RIGHT-OF-WAY), AS RECORDED IN OFFICIAL RECORDS INSTRUMENT NUMBER 2009155882 OF SAID PUBLIC RECORDS; THENCE S.00°30'25"W. ALONG SAID WEST RIGHT-OF-WAY LINE, A DISTANCE OF 1,340.70 FEET TO THE NORTHEAST CORNER OF MAIN STREET RANGLANDS PLAT NO. 3 RECORDED IN PLAT BOOK 56, PAGE 252 OF SAID PUBLIC RECORDS; THE FOLLOWING ELEVEN (11) CALLS ARE ALONG THE BOUNDARY OF SAID MAIN STREET RANGLANDS PLAT NO. 3: (1) THENCE N.89°55'18"W., A DISTANCE OF 521.43 FEET; (2) THENCE S.00°03'01"W., A DISTANCE OF 117.25 FEET; (3) THENCE S.42°56'28"W., A DISTANCE OF 147.30 FEET; (4) THENCE S.02°54'04"E., A DISTANCE OF 107.82 FEET TO THE POINT OF CURVATURE OF A NON-TANGENT CURVE TO THE RIGHT, HAVING A RADIUS OF 646.08 FEET AND A CENTRAL ANGLE OF 06°38'39"; (5) THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 74.92 FEET, SAID CURVE HAVING A CHORD BEARING AND DISTANCE OF S.33°36'20"E., 74.88 FEET, TO THE END OF SAID CURVE; (6) THENCE S.30°08'32"E. ALONG A LINE NON-TANGENT TO SAID CURVE, A DISTANCE OF 188.12 FEET TO THE POINT OF CURVATURE OF A NON-TANGENT CURVE TO THE LEFT, HAVING A RADIUS OF 556.31 FEET AND A CENTRAL ANGLE OF 07°48'59"; (7) THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 75.89 FEET, SAID CURVE HAVING A CHORD BEARING AND DISTANCE OF S.34°12'30"E., 75.83 FEET, TO THE POINT OF CURVATURE OF A NON-TANGENT CURVE TO THE LEFT, HAVING A RADIUS OF 535.13 FEET AND A CENTRAL ANGLE OF 11°57'38"; (8) THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 111.71 FEET, SAID CURVE HAVING A CHORD BEARING AND DISTANCE OF S.43°47'43"E., 111.51 FEET, TO THE POINT OF CURVATURE OF A NON-TANGENT CURVE TO THE LEFT, HAVING A RADIUS OF 613.28 FEET AND A CENTRAL ANGLE OF 07°26'55"; (9) THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 79.73 FEET, SAID CURVE HAVING A CHORD BEARING AND DISTANCE OF S.53°38'30"E., 79.67 FEET, TO THE POINT OF CURVATURE OF A NON-TANGENT CURVE TO THE LEFT, HAVING A RADIUS OF 566.40 FEET AND A CENTRAL ANGLE OF 12°44'12"; (10) THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 125.91 FEET, SAID CURVE HAVING A CHORD BEARING AND DISTANCE OF S.64°30'22"E., 125.65 FEET, TO THE POINT OF CURVATURE OF A NON-TANGENT CURVE TO THE LEFT, HAVING A RADIUS OF 546.49 FEET AND A CENTRAL ANGLE OF 17°31'34"; (11) THENCE EASTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 167.16 FEET, SAID CURVE HAVING A CHORD BEARING AND DISTANCE OF S.79°35'01"E., 166.51 FEET, TO A POINT ON THE WEST RIGHT-OF-WAY LINE OF WEST VILLAGES PARKWAY (VARIABLE WIDTH RIGHT-OF-WAY) AS RECORDED IN OFFICIAL RECORDS INSTRUMENT NUMBER 2010135760 OF SAID PUBLIC RECORDS; THE FOLLOWING SIX (6) CALLS ARE ALONG SAID WEST RIGHT-OF-WAY LINE: (1) THENCE S.00°30'25"W., A DISTANCE OF 35.66 FEET; (2) THENCE N.85°55'11"W., A DISTANCE OF 40.43 FEET; (3) HENCE S.04°20'24"W., A DISTANCE OF 21.35 FEET; (4) THENCE S.85°39'36"E., A DISTANCE OF 25.83 FEET TO A POINT OF CURVATURE OF A CURVE TO THE RIGHT HAVING A RADIUS OF 30.00 FEET AND A CENTRAL ANGLE OF 86°10'01"; (5) THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 45.12 FEET, TO THE POINT OF TANGENCY OF SAID CURVE; (6) THENCE S.00°30'25"W., A DISTANCE OF 66.39 FEET TO THE POINT OF CURVATURE OF A NON-TANGENT CURVE TO THE RIGHT, HAVING A RADIUS OF 804.94 FEET AND A CENTRAL ANGLE OF 20°52'58"; (7) THENCE SOUTHERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 293.38 FEET, SAID CURVE HAVING A CHORD BEARING AND DISTANCE OF S.11°00'03"W., 291.76 FEET, TO THE POINT OF CURVATURE OF A REVERSE CURVE TO THE LEFT HAVING A RADIUS OF 1,221.36 FEET AND A CENTRAL ANGLE OF 18°39'03"; (8) THENCE SOUTHERLY ALONG THE ARC OF SAID CURVE, A

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DISTANCE OF 397.57 FEET, TO THE END OF SAID CURVE; (9) THENCE S.00°44'16"W. ALONG A LINE NON-TANGENT TO SAID CURVE, A DISTANCE OF 9.72 FEET; THE FOLLOWING TWO (2) CALLS ARE ALONG THE WEST RIGHT-OF-WAY LINE OF SAID WEST VILLAGES PARKWAY PER OFFICIAL RECORDS INSTRUMENT NUMBER 2019011093 OF SAID PUBLIC RECORDS: (1) THENCE S.14°31'49"W., A DISTANCE OF 54.36 FEET; (2) THENCE S.00°30'33"W., A DISTANCE OF 176.46 FEET TO THE POINT OF CURVATURE OF A CURVE TO THE RIGHT, HAVING A RADIUS OF 25.00 FEET AND A CENTRAL ANGLE OF 90°00'01"; THE FOLLOWING FOUR (4) CALLS ARE ALONG THE NORTH RIGHT-OF-WAY LINE OF PLAYMORE ROAD (VARIABLE WIDTH RIGHT-OF-WAY) PER SAID OFFICIAL RECORDS INSTRUMENT NUMBER 2019011093: (1) THENCE SOUTHWESTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 39.27 FEET, TO THE POINT OF TANGENCY OF SAID CURVE; (2) THENCE N.89°29'27"W., A DISTANCE OF 295.43 FEET TO THE POINT OF CURVATURE OF A NON-TANGENT CURVE TO THE LEFT, HAVING A RADIUS OF 759.00 FEET AND A CENTRAL ANGLE OF 41°12'44"; (3) THENCE WESTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 545.94 FEET, SAID CURVE HAVING A CHORD BEARING AND DISTANCE OF S.69°54'14"W., 534.25 FEET, TO THE POINT OF CURVATURE OF A REVERSE CURVE TO THE RIGHT HAVING A RADIUS OF 631.00 FEET AND A CENTRAL ANGLE OF 42°42'08"; (4) THENCE WESTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 470.28 FEET, TO THE POINT OF TANGENCY OF SAID CURVE; THE FOLLOWING THREE (3) CALLS ARE ALONG THE NORTH LINE OF SAID PLAYMORE ROAD PER OFFICIAL RECORDS INSTRUMENT NUMBER 2007188871 OF SAID PUBLIC RECORDS: (1) THENCE N.88°00'00"W., A DISTANCE OF 949.71 FEET TO A POINT OF CURVATURE OF A CURVE TO THE RIGHT HAVING A RADIUS OF 1,082.00 FEET AND A CENTRAL ANGLE OF 37°00'06"; (2) THENCE WESTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 698.76 FEET, TO THE POINT OF CURVATURE OF A REVERSE CURVE TO THE LEFT HAVING A RADIUS OF 1,210.00 FEET AND A CENTRAL ANGLE OF 23°17'32"; (3) THENCE NORTHWESTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 491.90 FEET, TO THE POINT OF TANGENCY OF SAID CURVE; THENCE CONTINUE WESTERLY ALONG SAID CURVE AND ALONG THE NORTH LINE OF SAID PLAYMORE ROAD PER OFFICIAL RECORDS INSTRUMENT NUMBER 2013134805 OF SAID PUBLIC RECORDS, HAVING A RADIUS OF 1,210.00 FEET AND A CENTRAL ANGLE OF 12°41'08", A DISTANCE OF 267.90 FEET, TO A POINT ON THE EAST BOUNDARY LINE OF ISLANDWALK AT WEST VILLAGES, PHASE 5 RECORDED IN PLAT BOOK 51, PAGE 190 OF SAID PUBLIC RECORDS, ALSO BEING THE POINT OF CURVATURE OF A NON-TANGENT CURVE TO THE RIGHT, HAVING A RADIUS OF 2,999.79 FEET AND A CENTRAL ANGLE OF 01°46'15"; THENCE NORTHERLY ALONG THE ARC OF SAID CURVE AND ALONG SAID EAST BOUNDARY LINE, A DISTANCE OF 92.71 FEET, SAID CURVE HAVING A CHORD BEARING AND DISTANCE OF N.17°10'20"E., 92.70 FEET, TO THE END OF SAID CURVE; THE FOLLOWING TWO (2) CALLS ARE ALONG THE NORTH BOUNDARY LINE OF SAID ISLANDWALK AT WEST VILLAGES, PHASE 5: (1) THENCE N.89°05'35"W., A DISTANCE OF 1,251.87 FEET; (2) THENCE S.89°54'47"W., A DISTANCE OF 259.05 FEET; THENCE N.00°14'53"E. ALONG THE EAST BOUNDARY LINE OF ISLANDWALK AT THE WEST VILLAGES, PHASE 1C RECORDED IN PLAT BOOK 47, PAGE 22 OF SAID PUBLIC RECORDS AND ISLANDWALK AT THE WEST VILLAGES, PHASE 1B RECORDED IN PLAT BOOK 46, PAGE 10 OF SAID PUBLIC RECORDS AND ISLANDWALK AT THE WEST VILLAGES, PHASE 1B RECORDED IN PLAT BOOK 45, PAGE 37 OF SAID PUBLIC RECORDS, A DISTANCE OF 3,303.16 FEET; THENCE N.90°00'00"E., A DISTANCE OF 116.11 FEET TO A POINT OF CURVATURE OF A CURVE TO THE LEFT HAVING A RADIUS OF 35.00 FEET AND A CENTRAL ANGLE OF 139°53'27"; THENCE NORTHERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 85.45 FEET, TO THE POINT OF TANGENCY OF SAID CURVE; THENCE N.49°53'27"W., A DISTANCE OF 19.50 FEET TO A POINT OF CURVATURE OF A CURVE TO THE RIGHT HAVING A RADIUS OF 25.00 FEET AND A CENTRAL ANGLE OF 77°28'57"; THENCE NORTHERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 33.81 FEET, TO THE POINT OF TANGENCY OF SAID CURVE; THENCE N.27°35'30"E., A DISTANCE OF 53.06 FEET; THENCE N.05°05'22"E., A DISTANCE OF 60.44 FEET TO A POINT OF CURVATURE OF A CURVE TO THE RIGHT HAVING A RADIUS OF 25.00 FEET AND A CENTRAL ANGLE OF 25°39'07"; THENCE NORTHERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 11.19 FEET, TO THE POINT OF TANGENCY OF SAID CURVE; THENCE N.30°44'29"E., A DISTANCE OF 87.96 FEET TO A POINT OF CURVATURE OF A CURVE TO THE RIGHT HAVING A RADIUS OF 25.00 FEET AND A CENTRAL ANGLE OF 59°09'26"; THENCE NORTHEASTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 25.81 FEET, TO THE POINT OF TANGENCY OF SAID CURVE; THENCE N.89°53'54"E., A DISTANCE OF 70.35 FEET; THENCE N.51°24'06"E., A DISTANCE

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OF 139.73 FEET TO A POINT ON THE WESTERLY RIGHT-OF-WAY LINE OF PRETO BOULEVARD (VARIABLE WIDTH RIGHT-OF-WAY) PER OFFICIAL RECORDS INSTRUMENT NUMBER 2020005361 OF SAID PUBLIC RECORDS, ALSO BEING THE POINT OF CURVATURE OF A NON-TANGENT CURVE TO THE RIGHT, HAVING A RADIUS OF 630.00 FEET AND A CENTRAL ANGLE OF 05°43'51"; THE FOLLOWING SEVEN (7) CALLS ARE ALONG SAID WESTERLY RIGHT-OF-WAY LINE OF PRETO BOULEVARD: (1) THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 63.01 FEET, SAID CURVE HAVING A CHORD BEARING AND DISTANCE OF S.50°43'55"E., 62.99 FEET, TO THE POINT OF TANGENCY OF SAID CURVE; (2) THENCE S.47°52'00"E., A DISTANCE OF 684.51 FEET TO A POINT OF CURVATURE OF A CURVE TO THE RIGHT HAVING A RADIUS OF 630.00 FEET AND A CENTRAL ANGLE OF 20°21'07"; (3) THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 223.78 FEET, TO THE POINT OF CURVATURE OF A REVERSE CURVE TO THE LEFT HAVING A RADIUS OF 760.00 FEET AND A CENTRAL ANGLE OF 28°53'12"; (4) THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 383.17 FEET, TO THE POINT OF TANGENCY OF SAID CURVE; (5) THENCE S.56°24'04"E., A DISTANCE OF 787.81 FEET TO A POINT OF CURVATURE OF A CURVE TO THE RIGHT HAVING A RADIUS OF 470.00 FEET AND A CENTRAL ANGLE OF 60°32'51"; (6) THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 496.68 FEET, TO THE POINT OF TANGENCY OF SAID CURVE; (7) THENCE S.04°08'47"W., A DISTANCE OF 765.12 FEET; THENCE S.85°51'13"E., A DISTANCE OF 130.00 FEET TO THE POINT OF BEGINNING.

CONTAINING 13,949,733 SQUARE FEET OR 320.2418 ACRES, MORE OR LESS.



Preliminary First Supplemental Special Assessment Methodology Report

WEST VILLAGES IMPROVEMENT DISTRICT
Unit of Development No. 12
(Assessment Area One)

March 7, 2025

SPECIAL DISTRICT SERVICES, INC

2501A Burns Road
Palm Beach Gardens, Florida 33410
561-630-4922

1.0 INTRODUCTION

The West Villages Improvement District (the “District”) is a local unit of special-purpose government with portions located in the City of North Port, Florida (the “City”) within Sarasota County, Florida (the “County”). The District was created in June 2004 by Chapter 2004-456, Laws of Florida, a special act of the Florida Legislature (the “Act”). The Act provides legal authority for the District to finance the acquisition, construction, operation, and maintenance of the public infrastructure improvements authorized by the Act. In order to address its authorized purpose, the District has and continues to create separate Units of Development. This First Supplemental Special Assessment Methodology Report (the “First Supplemental Report”) applies exclusively to “Assessment Area One” within Unit of Development No. 12 (“Unit No. 12”) of the District and the plan of development which currently contemplates a total of 366 residential dwelling units of varying product types. See **Appendix 1** for a legal description of Assessment Area One.

Unit No. 12 includes approximately 320.24+/- acres and was created by the District to acquire and construct public infrastructure improvements designed to provide special benefit to the lands within Unit No. 12 (the "Unit No. 12 Improvements"). The District intends to finance and construct Unit No. 12 in phases. Assessment Area One includes 154.415 acres of Unit No. 12 to be developed as the “Oakbend” and “Bexley” projects. The West Villages Improvement District Unit of Development No. 12 Master Engineer’s Report dated January 9, 2025 (the "Engineer's Report") was prepared by Dewberry Engineers Inc., 2201 Cantu Court, Suite 107, Sarasota, Florida (the “District Engineer”), and sets forth the Unit No. 12 Improvements including the pro rata share of certain master public infrastructure improvements allocated to Unit No. 12 as well as neighborhood public infrastructure improvements associated with Unit No. 12 including earthwork; roadways, stormwater improvements; water and sewer facilities; irrigation facilities; landscaping and streetlighting, and consulting and contingencies (collectively, the “Project”). The total estimated costs of the portion of the Project relative to Assessment Area One (the “Assessment Area One Project”) are \$52,250,250.

The District presently plans to issue approximately \$10,200,000 of Capital Improvement Revenue Bonds (the “Series 2025 Bonds”) that will be secured by the benefited lands within Assessment Area One. **Table 1** below shows the planned uses for Assessment Area One.

Table 1 – Proposed Land Uses for Assessment Area One Project

<u>Neighborhood</u>	<u>Product Type (Lot Size)</u>	<u># of Units</u>
Bexley	Townhome 20’	40
Bexley	Cottage 35’	35
Bexley	Single-Family 55’	55
Bexley	Single-Family 60’	55
Oakbend	Single-Family 50’	92
Oakbend	Single-Family 60’	89
TOTAL		366

This First Supplemental Report supplements the Master Special Assessment Methodology Report, dated January 9, 2025 (the “Master Report”), and will equitably allocate the costs being incurred by the District to issue the Series 2025 Bonds in order provide a portion of the Assessment Area One Project to the assessable lands within Assessment Area One in the District.

2.0 PROJECTS TO BE FUNDED BY THE DISTRICT

The Assessment Area One Project as designed is an integrated system of facilities that provides specific benefits to all of the assessable lands within Assessment Area One within Unit No. 12. The total cost of the Assessment Area One Project is currently estimated to be \$52,250,250. A detail of the estimated Project costs is included herein on **Table A**.

The Assessment Area One Project area consists of approximately 154.42+/- gross acres of land and is anticipated to include approximately 366 residential units of various unit types as outlined on **Table C**.

The Series 2025 Bonds, when issued will be repaid through the levy of non-ad valorem special assessments on all assessable property within Assessment Area One within Unit No. 12. Any portion of the Assessment Area One Project not financed through the issuance of the Series 2025 Bonds will be paid for by Main Street Ranchlands, LLLP or its successors or assigns (collectively, the "Developer").

The construction costs for the Assessment Area One Project identified in this First Supplemental Report were provided by the District Engineer. Special District Services, Inc., as District Manager, makes no representation regarding the accuracy or validity of those costs and did not undertake any analysis or verification regarding such costs.

3.0 FUNDING OF IMPROVEMENTS

To defray the Series 2025 Bonds, the District will impose non-ad valorem special assessments on benefited real property within Assessment Area One within Unit No. 12 (the "Series 2025 Assessments"). These assessments are based on the special and peculiar benefits accruing to such property from the improvements comprising the Assessment Area One Project. The use of non-ad valorem special assessments has an advantage in that the properties that receive the direct and special benefits from the Project are the only properties that are obligated to pay for those facilities and services. Without these improvements, development of the property would not be possible.

In summary, special assessments may be levied: (1) for facilities which provide special benefits to property as distinct from general benefits, (2) only against property which receives that special benefit, (3) in proportion to the benefits received by the properties; and (4) according to fair and reasonable methods that the governing body of the jurisdiction determines. The special assessments placed upon various benefited properties in Assessment Area One must be sufficient to cover the debt service of the Series 2025 Bonds that will be issued for financing all or a portion of the Assessment Area One Project. The assessments must be fairly and reasonably allocated to the properties being assessed.

4.0 ALLOCATION OF BENEFIT AND ASSESSMENTS

In developing the methodology used for special assessments in the District in Assessment Area One, two interrelated factors were used:

- A.** Allocation of Benefit: Each parcel of land, lot and/or unit within Assessment Area One within Unit No. 12 in the District benefits from the construction and financing of the proposed improvements.
- B.** Allocation of Cost/Debt: The special assessments imposed on each parcel of land, lot and/or unit within Assessment Area One within Unit No. 12 cannot exceed the value of the benefits provided to such parcel of land, lot and/or unit.

Upon the sale of the proposed Series 2025 Bonds, the District's debt will be allocated on an Equivalent Residential Unit ("ERU") basis on the 181 platted lots within the Oakbend portion of Assessment Area One and the remaining debt will be allocated to the gross acreage within the Bexley portion of Assessment Area One which totals approximately 69.6+/- acres and upon platting, to each platted parcel and/or residential dwelling unit/lot therein on an ERU basis and on the remaining unplatted land subject to the Series 2025 Assessments on an equal acreage basis. As platting occurs the debt assessments will be assigned on a first platted first assessed basis to platted parcels and residential dwelling units/lots that are subject to the Series 2025 Assessments receiving property folio numbers; and allocated on an ERU basis as shown herein on **Table C** and **Table F**. For the purpose of this First Supplemental Report each 50' single family residential dwelling unit will be the base unit upon which other product types will be compared to and has been assigned a 1.00 ERU. Any Front Footage ("FF") product type not specifically stated in the Master Report will be assigned an ERU Factor based on the FF of such new product using 50' as the baseline. (Refer to **Table C** attached hereto for proposed ERU Factors.)

Given the District's approved land use plan and the type of infrastructure to be funded by the proposed special assessments, this method results in a fair allocation of benefits and an equitable allocation of costs for the Project. The special benefit received and applied to each parcel and/or residential dwelling unit/lot as a result of the construction of public infrastructure improvements will exceed the cost of such units allocated to each parcel and/or unit/lot. However, if the future platting results in changes in land use or proportion of benefit per acre and/or unit type, this allocation methodology may not be applicable and it may be necessary for the District to revise the allocation methodology.

To the extent land is sold in bulk to a third party, prior to platting, then the District will assign debt based upon the development rights conveyed based upon the ERU factors as shown herein on **Table C**.

5.0 COLLECTION OF SPECIAL ASSESSMENTS

The proposed special assessments for the District are planned to be collected through the Uniform Method of Collection described in Section 197.3632, *Florida Statutes* ("F.S.") for platted lots, or any other legal means available to the District.

Since there are costs associated with the collection of the special assessments (whether by uniform method of collection as authorized under Section 197.3632, F.S., or other methods allowed by Florida law), these costs must also be included in the special assessment levy. These costs generally include the 1% collection fee of the County Tax Collector, a 1% service fee of the County Property Appraiser and a 4% discount for early payment of taxes. These additional costs may be reflected by dividing the annual debt service and maintenance assessment amounts by a factor of 0.94. In the event the special assessments are direct billed, then, the collection costs and discounts may not apply.

6.0 FINANCING STRUCTURE

The estimated cost of construction for the Assessment Area One Project is \$52,250,250. The construction program and the costs associated with Unit No. 12 are identified herein on **Table A**.

All or a portion of the capital improvements comprising the Assessment Area One Project is assumed to be financed by the Series 2025 Bonds which, when issued, will be payable from and secured by special assessments levied annually against assessable properties within Unit No. 12 in Assessment Area One in the District which totals approximately 154.42+/- acres in accordance with the assessment methodology set forth herein. Based on the current market conditions the total aggregate principal amount of the Series 2025 Bonds (approximately \$10,200,000) for Unit No. 12 is shown herein on

Table B. The proceeds of the Series 2025 Bonds will provide approximately \$9,470,345* for construction related costs. The sizing of the Series 2025 Bonds is assumed to include a debt service reserve fund equal to the maximum annual net debt service and issuance costs as shown herein on **Table B.**

7.0 MODIFICATIONS, REVISIONS AND TRUE-UP MECHANISM

Allocation of costs and debt, shown herein on **Table C** and **Table D**, for the infrastructure improvements financed by the District for the Assessment Area One Project (estimated at \$52,250,250) is initially based on the estimated number of product types and residential dwelling units (366) projected to be constructed within Assessment Area One within Unit No. 12 in the District and benefited by the infrastructure improvements comprising the Assessment Area One Project. Based on a Bond size of approximately \$10,200,000* at an assumed interest rate of 5.65%* the estimated annual debt service on the Series 2025 Bonds will be approximately \$713,310* which has not been grossed up to include the 1% County Tax Collector fee, 1% County Property Appraiser fee, and 4% discount for early payment of taxes.

To ensure that each platted parcel or unit is assessed no more than their pro-rata amount of the annual debt service shown in **Table E** and **Table F**, the District will be required to perform a “true-up” analysis, which requires a computation at the time of submission of each site plan, plat or re-plat to determine the potential remaining assessable units. The District shall, at the time a site plan, plat or re-plat is submitted to the City and/or County:

A. Assume that the total number of ERUs relative to the Assessment Area One Project is at least 365.80.

B. Ascertain the number of assessable residential parcels/lots in the site plan, plat (unrecorded at this time) or re-plat and any prior site plans or plats (“Planned Assessable Units/Lots”) and total amount of *ERUs* associated with such Planned Assessable Units/Lots.

C. Ascertain the current amount of potential remaining assessable parcels/lots (“Remaining Assessable Units/Lots,” and together with the Planned Assessable Units/Lots, the “Total Assessable Units/Lots”[†]) and total number of *ERUs* associated with the Remaining Assessable Units/Lots.

If the sum of the *ERUs* associated with the Total Assessable Units/Lots are equal to 365.80, then no action would be required at that time. However, if the sum of the *ERUs* associated with the Total Assessable Units/Lots is less than 365.80, then the Developer will be obligated to remit to the District an amount of money sufficient to enable the District to retire an amount of proposed Series 2025 Bonds such that the amount of debt service allocated to each *ERU* associated with the Total Assessable Units/Lots does not exceed the amounts set forth in **Table D**. Conversely, if the sum of the *ERUs* associated with the Total Assessable Units/Lots is more than 365.80 after the filing of the final site plan or plat for the Assessment Area One Project, then the District shall equitably reallocate the assessments resulting in a reduction in the par debt allocations per unit type set forth in **Table D**.

All assessments levied run with the land. A determination of a true-up payment shall be at the sole discretion of the District. It is the responsibility of the landowner of record to make any required true-up payments that are due including any accrued interest. The District will not release any liens on the property for which true-up payments are due until provision for such payment has been satisfied. It is recommended that the true-up mechanism be formalized in an agreement between the District and the

* Preliminary, subject to change.

† Total Assessable Units/Lots for purposes of this analysis shall not include units for which developer contributions in lieu of special assessments have been recognized.

Developer.

In the event that additional land is annexed into Unit No. 12 which is currently not subject to the assessments and is developed in such a manner as to receive direct and special benefit from the Assessment Area One Project described herein, it will be necessary for this assessment methodology to be re-applied to include such parcels. The additional land will, as a result of re-applying this allocation methodology, then be allocated an appropriate share of the special assessments while all currently assessed parcels will receive a relative reduction in their assessments.

8.0 PRELIMINARY ASSESSMENT ROLL

As previously described in this First Supplemental Report, the debt associated with the District's improvement plan will be initially distributed on an ERU basis on the 181 platted lots within the Oakbend portion of Assessment Area One and the remaining debt will be allocated on equal acreage basis on all of the benefiting acreage within the Bexley portion of Assessment Area One which totals approximately 69.6 acres, as outlined herein on **Table F** and **Appendix 1** attached hereto. As site plans or plats are approved, parcels and/or lot/units within Assessment Area One within Unit No. 12 will be assessed in the manner described herein.

The lands within Assessment Area One within Unit No. 12 consist of approximately 154.42+/- acres as described in **Appendix 1** attached hereto. As of the date of this First Supplemental Report, the Oakbend portion of Unit No. 12 is platted and the remaining approximately 69.6 acres remain unplatted, and the majority of the property in Unit No. 12 is undeveloped. The anticipated par amount of Series 2025 Bonds to be issued by the District to pay for the Project is approximately \$10,200,000*. Prior to final site plan or plat approval the assessments levied against the lands within Assessment Area One within Unit No. 12 in the District will be apportioned on a gross acre basis. Therefore, each gross acre of land in Assessment Area One in Unit No. 12 in the District will be assessed a maximum of approximately \$4,914.29 as outlined herein on **Table F**. When fully developed, Assessment Area One within Unit No. 12 is expected to contain approximately 365.80 ERUs across residential dwelling units of varying product types.

9.0 ADDITIONAL STIPULATIONS

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. Special District Services, Inc. makes no representations regarding said information transactions beyond restatement of the factual information necessary for compilation of this First Supplemental Report.

Special District Services, Inc. does not represent the District as a Municipal Advisor or Securities Broker nor is Special District Services, Inc. registered to provide such services as described in Section 15B of the Securities and Exchange Act of 1934, as amended. Similarly, Special District Services, Inc. does not provide the District with financial advisory services or offer investment advice in any form.

TABLE A

PROJECT COST ESTIMATES

**WEST VILLAGES IMPROVEMENT DISTRICT
UNIT 12**

	Offsite Master Improvements	Oakbend	East Common	Total
EARTHWORK	\$ -	\$ 6,400,000	\$ 4,000,000	\$ 10,400,000
MASTER IRRIGATION	\$ -	\$ 250,000	\$ 250,000	\$ 500,000
DRAINAGE AND WATER MANAGEMENT	\$ -	\$ 1,000,000	\$ 400,000	\$ 1,400,000
POTABLE WATER	\$ -	\$ 905,000	\$ 350,000	\$ 1,255,000
WASTEWATER	\$ -	\$ 1,500,000	\$ 580,000	\$ 2,080,000
PROFESSIONAL SERVICES	\$ 4,470,000	\$ 1,508,250	\$ 837,000	\$ 6,815,250
COLLECTOR AND ARTERIAL ROADS	\$ 21,700,000	\$ -	\$ -	\$ 21,700,000
WASTEWATER TREATMENT PLANT	\$ 4,100,000	\$ -	\$ -	\$ 4,100,000
WATER TREATMENT PLANT	\$ 3,500,000	\$ -	\$ -	\$ 3,500,000
PARKS/GOVERNMENT	\$ 500,000	\$ -	\$ -	\$ 500,000
Total	\$ 34,270,000	\$ 11,563,250	\$ 6,417,000	\$ 52,250,250

TABLE B

BOND SIZING

**WEST VILLAGES IMPROVEMENT DISTRICT
UNIT 12**

	BOND SIZING
Par Amount*	\$ 10,200,000 *
Debt Service Reserve Fund (DSRF)	\$ (356,655)
Issuance Costs	\$ (373,000)
Construction Funds	\$ 9,470,345
Bond Interest Rate	5.65%
Principal Amortization Period (Years)	30

*Subject to change at final bond pricing

TABLE C

ALLOCATION OF PROJECT COSTS

**WEST VILLAGES IMPROVEMENT DISTRICT
UNIT 12**

Neighborhood	Product	Number of Units by Type	ERU Factor*	Total ERUs	Project Cost Allocation Per Type	Project Cost Allocation Per Unit*
Bexley	Townhome 20'	40	0.40	16.00	\$ 2,285,413	\$ 57,135
Bexley	Cottage 35'	35	0.70	24.50	\$ 3,499,538	\$ 99,987
Bexley	Single-Family 55'	55	1.10	60.50	\$ 8,641,717	\$ 157,122
Bexley	Single-Family 60'	55	1.20	66.00	\$ 9,427,328	\$ 171,406
Oakbend	Single-Family 50'	92	1.00	92.00	\$ 13,141,124	\$ 142,838
Oakbend	Single-Family 60'	89	1.20	106.80	\$ 15,255,130	\$ 171,406
	Total	366	N/A	365.80	\$ 52,250,250	N/A

*Rounded

TABLE D

ALLOCATION OF BOND DEBT

**WEST VILLAGES IMPROVEMENT DISTRICT
UNIT 12**

Neighborhood	Product	Number of Units by Type	ERU Factor*	Total ERUs	Bond Debt Allocation Per Type	Bond Debt Allocation Per Unit*
Bexley	Townhome 20'	40	0.40	16.00	\$ 446,145	\$ 11,153.64
Bexley	Cottage 35'	35	0.70	24.50	\$ 683,160	\$ 19,518.86
Bexley	Single-Family 55'	55	1.10	60.50	\$ 1,686,987	\$ 30,672.50
Bexley	Single-Family 60'	55	1.20	66.00	\$ 1,840,350	\$ 33,460.91
Oakbend	Single-Family 50'	92	1.00	92.00	\$ 2,565,336	\$ 27,884.09
Oakbend	Single-Family 60'	89	1.20	106.80	\$ 2,978,021	\$ 33,460.91
	Total	366	N/A	365.80	\$ 10,200,000	N/A

*Rounded

TABLE E
CALCULATION OF ANNUAL DEBT SERVICE
WEST VILLAGES IMPROVEMENT DISTRICT
UNIT 12

	2025 Series Bond Debt
1 Maximum Annual Debt Service	\$ 713,310.00
2 Maximum Annual Debt Service Assessment to be Collected	\$ 758,840.43 *
3 Total Number of Gross Acres	154.42
4 Maximum Annual Debt Service per Gross Acre	\$4,914.29
5 Total Number of Residential Units Planned	366
6 Maximum Annual Debt Service per Unit Type	See Table F

*Grossed up to include 1% collection fee of the County Tax Collector, 1% service fee of the County Property Appraiser and 4% for early payment of taxes.

TABLE F
ALLOCATION OF DEBT SERVICE ASSESSMENTS
WEST VILLAGES IMPROVEMENT DISTRICT
UNIT 12

Neighborhood	Product	Number of Units by Type	ERU Factor*	Total ERUs	**Maximum Annual Debt Assessment Per Unit Type*	**Maximum Annual Debt Assessment Per Unit*
Bexley	Townhome 20'	40	0.40	16.00	\$ 33,191.49	\$ 829.79
Bexley	Cottage 35'	35	0.70	24.50	\$ 50,824.47	\$ 1,452.13
Bexley	Single-Family 55'	55	1.10	60.50	\$ 125,505.32	\$ 2,281.91
Bexley	Single-Family 60'	55	1.20	66.00	\$ 136,914.89	\$ 2,489.36
Oakbend	Single-Family 50'	92	1.00	92.00	\$ 190,851.06	\$ 2,074.47
Oakbend	Single-Family 60'	89	1.20	106.80	\$ 221,553.19	\$ 2,489.36
	TOTAL	366	N/A	365.80	\$ 758,840	N/A

*Rounded

**Grossed up to include 1% collection fee of the County Tax Collector, 1% service fee of the County Property Appraiser and 4% for early payment of taxes.

Folio ID#'s and/or Parcel Plat Description	Developable Acreage by Parcel	**Maximum Annual Debt Assessment Per Acre*	Par Debt Per Acre	Total Par Debt
Gross Acreage	154.42	\$ 4,914.29	\$ 66,055.76	\$10,200,000.00
TOTALS		N/A	N/A	\$10,200,000.00

*Rounded

**Grossed up to include 1% collection fee of the County Tax Collector, 1% service fee of the County Property Appraiser and 4% for early payment of taxes.

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UNIT 12 ASSESSMENT AREA ONE DESCRIPTION:

A tract of land lying in Section 32, Township 39 South, Range 20 East, and Section 5, Township 40 South, Range 20 East, Sarasota County, Florida, being more particularly described as follows:

All of Oakbend at Wellen Park, Phases 1 & 2 recorded in Plat Book 59, Page 128 of the Public Records of Sarasota County, Florida.

Containing 3,693,338 square feet or 84.7874 acres, more or less.

AND

Begin at the southwest corner of Tract 7 of Wellen Park Downtown Phase 1 recorded in Plat Book 54, Page 331 of the Public Records of Sarasota County, Florida; thence S.85°51'13"E. along the south line of said Tract 7, a distance of 98.11 feet to the point of curvature of a non-tangent curve to the right, having a radius of 105.00 feet and a central angle of 54°25'40"; thence Southerly along the arc of said curve, a distance of 99.74 feet, said curve having a chord bearing and distance of S.01°55'38"W., 96.04 feet, to the point of curvature of a reverse curve to the left having a radius of 75.00 feet and a central angle of 126°37'57"; thence Southeasterly along the arc of said curve, a distance of 165.76 feet, to the point of tangency of said curve; thence N.82°30'31"E., a distance of 9.35 feet to a point of curvature of a curve to the right having a radius of 155.00 feet and a central angle of 36°07'45"; thence Easterly along the arc of said curve, a distance of 97.74 feet, to the point of tangency of said curve; thence S.61°21'43"E., a distance of 26.42 feet to a point of curvature of a curve to the left having a radius of 195.00 feet and a central angle of 17°35'16"; thence Easterly along the arc of said curve, a distance of 59.86 feet, to the point of curvature of a reverse curve to the right having a radius of 475.00 feet and a central angle of 07°43'23"; thence Easterly along the arc of said curve, a distance of 64.03 feet, to the end of said curve; thence N.18°46'24"E. along a line non-tangent to said curve, a distance of 39.50 feet to a point of curvature of a curve to the left having a radius of 40.00 feet and a central angle of 29°18'58"; thence Northerly along the arc of said curve, a distance of 20.47 feet, to the point of tangency of said curve; thence N.10°32'34"W., a distance of 78.34 feet to a point of curvature of a curve to the right having a radius of 25.00 feet and a central angle of 12°54'24"; thence Northerly along the arc of said curve, a distance of 5.63 feet, to the point of curvature of a reverse curve to the left having a radius of 377.81 feet and a central angle of 24°16'38"; thence Northerly along the arc of said curve, a distance of 160.08 feet, to the point of curvature of a reverse curve to the right having a radius of 159.00 feet and a central angle of 67°14'07"; thence Northerly along the arc of said curve, a distance of 186.58 feet, to the point of tangency of said curve; thence N.45°19'20"E., a distance of

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136.98 feet to a point of curvature of a curve to the right having a radius of 86.00 feet and a central angle of $91^{\circ}44'50''$; thence Easterly along the arc of said curve, a distance of 137.71 feet, to the point of curvature of a reverse curve to the left having a radius of 1,117.00 feet and a central angle of $18^{\circ}43'04''$; thence Southeasterly along the arc of said curve, a distance of 364.91 feet, to the point of curvature of a compound curve to the left having a radius of 120.00 feet and a central angle of $65^{\circ}58'08''$; thence Easterly along the arc of said curve, a distance of 138.16 feet, to the point of tangency of said curve; thence $N.52^{\circ}22'59''E.$, a distance of 50.14 feet to a point of curvature of a curve to the left having a radius of 61.00 feet and a central angle of $84^{\circ}57'31''$; thence Northerly along the arc of said curve, a distance of 90.45 feet, to the end of said curve; the following fourteen (14) calls are along the boundary line of said Tract 7 of Wellen Park Downtown Phase 1: (1) thence $S.35^{\circ}52'06''E.$ along a line non-tangent to said curve, a distance of 109.04 feet to a point of curvature of a curve to the left having a radius of 44.00 feet and a central angle of $81^{\circ}09'10''$; (2) thence Easterly along the arc of said curve, a distance of 62.32 feet, to the point of tangency of said curve; (3) thence $N.62^{\circ}58'44''E.$, a distance of 59.37 feet to a point of curvature of a curve to the left having a radius of 44.00 feet and a central angle of $77^{\circ}51'48''$; (4) thence Northeasterly along the arc of said curve, a distance of 59.79 feet, to the point of tangency of said curve; (5) thence $N.14^{\circ}53'03''W.$, a distance of 103.89 feet to a point of curvature of a curve to the right having a radius of 82.00 feet and a central angle of $80^{\circ}41'12''$; (6) thence Northeasterly along the arc of said curve, a distance of 115.48 feet, to the point of tangency of said curve; (7) thence $N.65^{\circ}48'08''E.$, a distance of 294.24 feet to the point of curvature of a non-tangent curve to the left, having a radius of 68.00 feet and a central angle of $117^{\circ}31'30''$; (8) thence Northerly along the arc of said curve, a distance of 139.48 feet, said curve having a chord bearing and distance of $N.07^{\circ}03'19''E.$, 116.28 feet, to the point of curvature of a reverse curve to the right having a radius of 97.00 feet and a central angle of $53^{\circ}18'51''$; (9) thence Northwesterly along the arc of said curve, a distance of 90.26 feet, to the point of curvature of a reverse curve to the left having a radius of 59.00 feet and a central angle of $47^{\circ}10'03''$; (10) thence Northerly along the arc of said curve, a distance of 48.57 feet, to the point of curvature of a reverse curve to the right having a radius of 196.00 feet and a central angle of $29^{\circ}08'24''$; (11) thence Northwesterly along the arc of said curve, a distance of 99.68 feet, to the point of curvature of a reverse curve to the left having a radius of 154.00 feet and a central angle of $37^{\circ}34'21''$; (12) thence Northwesterly along the arc of said curve, a distance of 100.99 feet, to the point of curvature of a reverse curve to the right having a radius of 96.00 feet and a central angle of $90^{\circ}04'15''$; (13) thence Northerly along the arc of said curve, a distance of 150.91 feet, to the point of curvature of a reverse curve to the left having a radius of 438.00 feet and a central angle of $63^{\circ}20'25''$; (14) thence Northerly along the arc of said curve, a distance of 484.21 feet, to the end of said curve; thence $N.62^{\circ}48'14''E.$ along a line non-tangent to said curve, a distance of 89.55 feet to the point of

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curvature of a non-tangent curve to the right, having a radius of 300.00 feet and a central angle of $02^{\circ}39'53''$; thence Northwesterly along the arc of said curve, a distance of 13.95 feet, said curve having a chord bearing and distance of $N.25^{\circ}51'50''W.$, 13.95 feet, to the point of curvature of a compound curve to the right having a radius of 600.00 feet and a central angle of $02^{\circ}35'48''$; thence Northwesterly along the arc of said curve, a distance of 27.19 feet, to the end of said curve; thence $N.28^{\circ}46'42''E.$ along a line non-tangent to said curve, a distance of 68.30 feet; thence $N.31^{\circ}25'41''E.$, a distance of 52.59 feet; thence $N.39^{\circ}50'18''E.$, a distance of 51.87 feet; thence $N.38^{\circ}22'55''E.$, a distance of 74.39 feet; thence $N.16^{\circ}31'25''E.$, a distance of 42.39 feet; thence $N.11^{\circ}39'16''E.$, a distance of 55.61 feet; thence $N.49^{\circ}43'42''E.$, a distance of 38.04 feet; thence $N.28^{\circ}42'35''E.$, a distance of 16.66 feet; thence $N.11^{\circ}07'03''W.$, a distance of 30.44 feet; thence $N.43^{\circ}38'28''E.$, a distance of 63.15 feet; thence $N.34^{\circ}01'32''E.$, a distance of 80.87 feet; thence $N.84^{\circ}03'35''E.$, a distance of 56.80 feet; thence $N.62^{\circ}31'55''E.$, a distance of 61.17 feet; thence $N.86^{\circ}30'02''E.$, a distance of 56.57 feet; thence $N.87^{\circ}54'57''E.$, a distance of 44.39 feet; thence $S.76^{\circ}02'53''E.$, a distance of 48.86 feet; thence $S.39^{\circ}57'56''E.$, a distance of 48.60 feet; thence $S.72^{\circ}01'56''E.$, a distance of 42.00 feet; thence $S.50^{\circ}11'21''E.$, a distance of 49.78 feet; thence $S.88^{\circ}14'48''E.$, a distance of 34.11 feet; thence $S.70^{\circ}19'11''E.$, a distance of 24.70 feet; thence $N.36^{\circ}17'44''E.$, a distance of 29.26 feet; thence $S.78^{\circ}35'14''E.$, a distance of 53.83 feet; thence $S.72^{\circ}01'51''E.$, a distance of 42.79 feet; thence $N.40^{\circ}24'06''E.$, a distance of 22.53 feet; thence $N.75^{\circ}44'30''E.$, a distance of 72.75 feet; thence $S.78^{\circ}07'11''E.$, a distance of 48.11 feet; thence $N.49^{\circ}58'58''E.$, a distance of 14.80 feet; thence $N.14^{\circ}48'01''E.$, a distance of 46.22 feet; thence $N.79^{\circ}23'10''E.$, a distance of 63.56 feet; thence $N.50^{\circ}32'03''E.$, a distance of 59.55 feet; thence $N.30^{\circ}55'22''E.$, a distance of 62.09 feet; thence $S.82^{\circ}02'22''E.$, a distance of 91.19 feet; thence $S.11^{\circ}36'24''E.$, a distance of 88.00 feet; thence $S.00^{\circ}18'02''W.$, a distance of 96.39 feet; thence $S.04^{\circ}02'45''W.$, a distance of 8.34 feet; thence $N.88^{\circ}45'02''E.$, a distance of 8.73 feet; thence $S.40^{\circ}57'08''E.$, a distance of 73.63 feet; thence $S.24^{\circ}26'17''W.$, a distance of 62.94 feet to a point on the northerly line of Parcel 771 recorded in Official Instrument Number 2009155882 of said Public Records, also being the point of curvature of a non-tangent curve to the left, having a radius of 390.00 feet and a central angle of $00^{\circ}24'02''$; the following three (3) calls are along the northerly line of Parcel 771 and its easterly extension: (1) thence Easterly along the arc of said curve, a distance of 2.73 feet, said curve having a chord bearing and distance of $N.70^{\circ}16'26''E.$, 2.73 feet, to the point of curvature of a reverse curve to the right having a radius of 57.76 feet and a central angle of $20^{\circ}25'58''$; (2) thence Easterly along the arc of said curve, a distance of 20.60 feet, to the point of tangency of said curve; (3) thence $S.89^{\circ}29'37''E.$, a distance of 105.16 feet to a point on the west right-of-way line of West Villages Parkway (variable width right-of-way), as recorded in Official Records Instrument Number 2009155882 of said Public Records; thence $S.00^{\circ}30'25''W.$ along said west right-of-way line, a distance of 1,340.70 feet to the northeast corner of Main Street Ranchlands Plat No. 3

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recorded in Plat Book 56, Page 252 of said Public Records; the following eleven (11) calls are along the boundary of said Main Street Ranchlands Plat No. 3: (1) thence N.89°55'18"W., a distance of 521.43 feet; (2) thence S.00°03'01"W., a distance of 117.25 feet; (3) thence S.42°56'28"W., a distance of 147.30 feet; (4) thence S.02°54'04"E., a distance of 107.82 feet to the point of curvature of a non-tangent curve to the right, having a radius of 646.08 feet and a central angle of 06°38'39"; (5) thence Southeasterly along the arc of said curve, a distance of 74.92 feet, said curve having a chord bearing and distance of S.33°36'20"E., 74.88 feet, to the end of said curve; (6) thence S.30°08'32"E. along a line non-tangent to said curve, a distance of 188.12 feet to the point of curvature of a non-tangent curve to the left, having a radius of 556.31 feet and a central angle of 07°48'59"; (7) thence Southeasterly along the arc of said curve, a distance of 75.89 feet, said curve having a chord bearing and distance of S.34°12'30"E., 75.83 feet, to the point of curvature of a non-tangent curve to the left, having a radius of 535.13 feet and a central angle of 11°57'38"; (8) thence Southeasterly along the arc of said curve, a distance of 111.71 feet, said curve having a chord bearing and distance of S.43°47'43"E., 111.51 feet, to the point of curvature of a non-tangent curve to the left, having a radius of 613.28 feet and a central angle of 07°26'55"; (9) thence Southeasterly along the arc of said curve, a distance of 79.73 feet, said curve having a chord bearing and distance of S.53°38'30"E., 79.67 feet, to the point of curvature of a non-tangent curve to the left, having a radius of 566.40 feet and a central angle of 12°44'12"; (10) thence Southeasterly along the arc of said curve, a distance of 125.91 feet, said curve having a chord bearing and distance of S.64°30'22"E., 125.65 feet, to the point of curvature of a non-tangent curve to the left, having a radius of 546.49 feet and a central angle of 17°31'34"; (11) thence Easterly along the arc of said curve, a distance of 167.16 feet, said curve having a chord bearing and distance of S.79°35'01"E., 166.51 feet, to a point on the west right-of-way line of West Villages Parkway (variable width right-of-way) as recorded in Official Records Instrument Number 2010135760 of said Public Records; the following six (6) calls are along said west right-of-way line: (1) thence S.00°30'25"W., a distance of 35.66 feet; (2) thence N.85°55'11"W., a distance of 40.43 feet; (3) thence S.04°20'24"W., a distance of 21.35 feet; (4) thence S.85°39'36"E., a distance of 25.83 feet to a point of curvature of a curve to the right having a radius of 30.00 feet and a central angle of 86°10'01"; (5) thence Southeasterly along the arc of said curve, a distance of 45.12 feet, to the point of tangency of said curve; (6) thence S.00°30'25"W., a distance of 22.33 feet to the point of curvature of a non-tangent curve to the left, having a radius of 30.00 feet and a central angle of 87°24'33"; thence Northwesterly along the arc of said curve, a distance of 45.77 feet, said curve having a chord bearing and distance of N.43°11'52"W., 41.46 feet, to the point of curvature of a reverse curve to the right having a radius of 632.00 feet and a central angle of 22°46'26"; thence Westerly along the arc of said curve, a distance of 251.21 feet, to the point of curvature of a compound curve to the right having a radius of 14.00 feet and a central angle of 16°07'42"; thence

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Northwesterly along the arc of said curve, a distance of 3.94 feet, to the point of tangency of said curve; thence N.48°00'00"W., a distance of 48.67 feet to the point of curvature of a non-tangent curve to the right, having a radius of 620.00 feet and a central angle of 07°28'16"; thence Northwesterly along the arc of said curve, a distance of 80.85 feet, said curve having a chord bearing and distance of N.55°42'26"W., 80.79 feet, to the end of said curve; the following three (3) calls are along the boundary line of Tract 102 of Main Street Ranchlands Plat No. 1 recorded in Plat Book 56, Page 250 of said Public Records: (1) thence S.02°46'46"W. along a line non-tangent to said curve, a distance of 123.98 feet; (2) thence N.87°13'14"W., a distance of 112.00 feet; (3) thence N.02°46'46"E., a distance of 225.74 feet to the point of curvature of a non-tangent curve to the right, having a radius of 620.00 feet and a central angle of 07°48'35"; thence Northwesterly along the arc of said curve, a distance of 84.51 feet, said curve having a chord bearing and distance of N.34°02'50"W., 84.44 feet, to the point of tangency of said curve; thence N.30°08'32"W., a distance of 171.72 feet to a point of curvature of a curve to the left having a radius of 550.00 feet and a central angle of 10°44'41"; thence Northwesterly along the arc of said curve, a distance of 103.14 feet, to the point of curvature of a reverse curve to the right having a radius of 337.00 feet and a central angle of 12°21'17"; thence Northwesterly along the arc of said curve, a distance of 72.67 feet, to a point on the southwesterly right-of-way line of Everglow Drive (60' wide public right-of-way) recorded as Tract 101 of abovementioned Main Street Ranchlands Plat No. 1, also being the point of curvature of a non-tangent curve to the left, having a radius of 586.08 feet and a central angle of 08°53'22"; thence Northwesterly along the arc of said curve and along said southwesterly right-of-way line, a distance of 90.93 feet, said curve having a chord bearing and distance of N.50°29'09"W., 90.84 feet, to the point of curvature of a non-tangent curve to the left, having a radius of 162.36 feet and a central angle of 20°56'17"; thence Westerly along the arc of said curve, a distance of 59.33 feet, said curve having a chord bearing and distance of N.85°24'47"W., 59.00 feet, to the point of curvature of a reverse curve to the right having a radius of 81.35 feet and a central angle of 37°44'04"; thence Westerly along the arc of said curve, a distance of 53.57 feet, to the point of curvature of a reverse curve to the left having a radius of 135.49 feet and a central angle of 54°48'18"; thence Westerly along the arc of said curve, a distance of 129.60 feet, to the point of tangency of said curve; thence S.67°02'51"W., a distance of 79.86 feet to the point of curvature of a non-tangent curve to the right, having a radius of 167.00 feet and a central angle of 44°13'58"; thence Westerly along the arc of said curve, a distance of 128.93 feet, said curve having a chord bearing and distance of S.73°20'27"W., 125.75 feet, to the end of said curve; thence S.18°42'56"W. along a line non-tangent to said curve, a distance of 195.38 feet to the point of curvature of a non-tangent curve to the right, having a radius of 328.52 feet and a central angle of 58°06'37"; thence Southwesterly along the arc of said curve, a distance of 333.19 feet, said curve having a chord bearing and distance of

Appendix 1

S.47°57'59"W., 319.09 feet, to the point of curvature of a non-tangent curve to the left, having a radius of 727.46 feet and a central angle of 33°13'27"; thence Southwesterly along the arc of said curve, a distance of 421.83 feet, said curve having a chord bearing and distance of S.60°09'43"W., 415.95 feet, to the point of curvature of a reverse curve to the right having a radius of 207.00 feet and a central angle of 68°54'18"; thence Westerly along the arc of said curve, a distance of 248.94 feet, to the point of tangency of said curve; thence N.67°32'43"W., a distance of 274.18 feet to the point of curvature of a non-tangent curve to the right, having a radius of 57.00 feet and a central angle of 36°12'11"; thence Westerly along the arc of said curve, a distance of 36.02 feet, said curve having a chord bearing and distance of S.69°57'04"W., 35.42 feet, to the point of tangency of said curve; thence S.88°03'09"W., a distance of 257.13 feet to the point of curvature of a non-tangent curve to the left, having a radius of 375.00 feet and a central angle of 26°08'16"; thence Westerly along the arc of said curve, a distance of 171.07 feet, said curve having a chord bearing and distance of S.73°24'28"W., 169.59 feet, to the point of curvature of a compound curve to the left having a radius of 25.00 feet and a central angle of 88°25'47"; thence Southerly along the arc of said curve, a distance of 38.58 feet, to a point on the easterly right-of-way line of Preto Boulevard (variable width public right-of-way) per Official Records Instrument Number 2020005361 of said Public Records, also being the point of curvature of a non-tangent curve to the right, having a radius of 630.00 feet and a central angle of 32°14'15"; the following two (2) calls are along said easterly right-of-way line: (1) thence Northerly along the arc of said curve, a distance of 354.47 feet, said curve having a chord bearing and distance of N.11°58'20"W., 349.81 feet, to the point of tangency of said curve; (2) thence N.04°08'47"E., a distance of 97.13 feet to the POINT OF BEGINNING.

Containing 3,032,977 square feet or 69.6276 acres, more or less.

Overall tract containing 154.415 acres, more or less.

APPENDIX F

DISTRICT'S FINANCIAL STATEMENTS

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**WEST VILLAGES IMPROVEMENT DISTRICT
CITY OF NORTH PORT, FLORIDA
FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2022**

**WEST VILLAGES IMPROVEMENT DISTRICT
CITY OF NORTH PORT, FLORIDA**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Supervisors
West Villages Improvement District
City of North Port, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of West Villages Improvement District, City of North Port, Florida (the "District") as of and for the fiscal year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the District as of September 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

The District's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The schedule of expenditures of state financial assistance projects, as required by Chapter 10.550, Rules of the Auditor General of the State of Florida, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of state financial assistance projects is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of state financial assistance projects is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information Included in the Financial Report

Management is responsible for the other information included in the financial report. The other information comprises the information for compliance with FL Statute 218.39 (3) (c), but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated August 22, 2023, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control over financial reporting and compliance.



August 22, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of West Villages Improvement District, City of North Port, Florida ("District") provides a narrative overview of the District's financial activities for the fiscal year ended September 30, 2022. Please read it in conjunction with the District's Independent Auditor's Report, basic financial statements, accompanying notes and supplementary information to the basic financial statements.

FINANCIAL HIGHLIGHTS

- The assets of the District exceeded its liabilities at the close of the most recent fiscal year resulting in a net position balance of \$26,711,854.
- The change in the District's total net position in comparison with the prior fiscal year was \$6,422,810 an increase. The key components of the District's net position and change in net position are reflected in the table in the government-wide financial analysis section.
- At September 30, 2022, the District's governmental funds reported combined ending fund balances of \$21,671,087, an decrease of (\$3,289,564) in comparison with the prior fiscal year. A portion of the total fund balance is restricted for debt service, capital projects, assigned to road resurfacing and subsequent year's expenditures, and the remainder mostly unassigned general fund balance.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as the introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources with the residual amount being reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the District that are principally supported by assessments (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the District include general government and maintenance operations. The business-type activities of the District include irrigation services.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and proprietary funds.

OVERVIEW OF FINANCIAL STATEMENTS (Continued)

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflow of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains thirteen individual governmental funds for external reporting. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, Unit 1, Unit 2 Series 2019, Unit 3, Unit 4, Unit 5, Unit 7, Unit 7 & 8 debt service funds and Unit 1, Unit 3, Unit 5, Unit 7, Unit 7 & 8 capital projects funds, all of which are considered to be major funds.

The District adopts an annual appropriated budget for its general fund. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with the budget.

Proprietary Fund

The District maintains one type of proprietary fund, an enterprise fund. An enterprise fund is used to report the same function presented as business-type activities in the government-wide financial statements. The District uses an enterprise fund to account for the operations of the irrigation services within the District, which are included in Unit 6 of the District.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of an entity's financial position. In the case of the District, assets exceeded liabilities at the close of the most recent fiscal year.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Key components of the District's net position are reflected in the following table:

	NET POSITION					
	SEPTEMBER 30,					
	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 29,472,218	\$ 28,836,318	\$ 780,080	\$ 449,086	\$ 30,252,298	\$ 29,285,404
Capital assets, net	176,622,168	173,517,061	2,722,886	1,395,460	179,345,054	174,912,521
Total assets	206,094,386	202,353,379	3,502,966	1,844,546	209,597,352	204,197,925
Current liabilities	10,573,028	6,906,350	3,538,254	1,743,434	14,111,282	8,649,784
Long-term liabilities	168,774,216	175,259,097	-	-	168,774,216	175,259,097
Total liabilities	179,347,244	182,165,447	3,538,254	1,743,434	182,885,498	183,908,881
Net position						
Net investment in capital assets	6,417,952	(2,657,036)	(293,544)	(216,389)	6,124,408	(2,873,425)
Restricted	12,245,838	15,155,130	-	-	12,245,838	15,155,130
Unrestricted	8,083,352	7,689,838	258,256	317,501	8,341,608	8,007,339
Total net position	\$ 26,747,142	\$ 20,187,932	\$ (35,288)	\$ 101,112	\$ 26,711,854	\$ 20,289,044

The District's net position reflects its investment in capital assets (e.g. land, land improvements, and infrastructure); less any related debt used to acquire those assets that is still outstanding. These assets are used to provide services to residents; consequently, these assets are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The restricted portion of the District's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position may be used to meet the District's other obligations.

The District's net position increased during the most recent fiscal year. The majority of the increase is the results from the receipt of Developer contributions and intergovernmental revenues.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Key elements of the change in net position are reflected in the following table:

	CHANGES IN NET POSITION					
	FOR THE FISCAL YEAR ENDED SEPTEMBER 30,					
	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program revenues						
Charges for services	\$ 11,090,459	\$ 9,888,656	\$ 644,473	\$ 409,509	\$ 11,734,932	\$ 10,298,165
Operating grants and contributions	5,248,359	2,377,188	214,990	-	5,463,349	2,377,188
Capital grants and contributions	2,395,412	6,535,486	-	-	2,395,412	6,535,486
General revenues						
Unrestricted investment earnings	878	7,353	24	320	902	7,673
Miscellaneous	399,323	60,725	-	-	399,323	60,725
Total revenues	19,134,431	18,869,408	859,487	409,829	19,993,918	19,279,237
Expenses:						
General government	1,481,965	861,605	-	-	1,481,965	861,605
Maintenance and operations	3,211,874	4,575,030	-	-	3,211,874	4,575,030
Interest	7,881,382	7,700,539	-	-	7,881,382	7,700,539
Bond issue costs	-	691,508	-	-	-	691,508
Irrigation services	-	-	995,887	1,040,155	995,887	1,040,155
Total expenses	12,575,221	13,828,682	995,887	1,040,155	13,571,108	14,868,837
Change in net position	6,559,210	5,040,726	(136,400)	(630,326)	6,422,810	4,410,400
Net position - beginning	20,187,932	15,147,206	101,112	731,438	20,289,044	15,878,644
Net position - ending	\$ 26,747,142	\$ 20,187,932	\$ (35,288)	\$ 101,112	\$ 26,711,854	\$ 20,289,044

Governmental activities

As noted above and in the statement of activities, the cost of all governmental activities during the fiscal year ended September 30, 2022 was \$12,575,221. The costs of the District's activities were partially paid by program revenues and general revenues. Program revenues were comprised primarily of assessments, Developer contributions, and other contributions for both the current year and prior year. The decrease in expenses was due to bond issue costs incurred in the prior fiscal year.

Business-type activities

Business-type activities reflect the operations of the irrigation system within the District. The cost of operations is covered partially by charges to customers. Revenues increased due to contributions from the Developers.

GENERAL BUDGETING HIGHLIGHTS

An operating budget was adopted and maintained by the governing board for the District pursuant to the requirements of Florida Statutes. The budget is adopted using the same basis of accounting that is used in preparation of the fund financial statements. The legal level of budgetary control, the level at which expenditures may not exceed budget is in the aggregate. Any budget amendments that increase the aggregate budgeted appropriations must be approved by the Board of Supervisors. The fiscal year 2022 general fund budget was amended to increase revenues by \$2,716,741, increase appropriations by \$1,652,428.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At September 30, 2022, the District had \$192,602,677 invested in capital assets for its governmental activities. In the government-wide financial statements depreciation of \$15,980,509 has been taken, which resulted in a net book value of \$176,622,168. The District's business-type activities reported net capital assets of \$2,722,886. More detailed information about the District's capital assets is presented in the notes of the financial statements.

Capital Debt

At September 30, 2022, the District had \$163,952,276 in Bonds and Notes outstanding and \$6,247,626 in Developer advances for its governmental activities. More detailed information about the District's capital debt is presented in the notes of the financial statements.

ECONOMIC FACTORS AND OTHER EVENTS

Subsequent to fiscal year end, the District has continued its capital projects which include development of infrastructure improvements for residential and commercial areas, the construction of a wastewater treatment facility which will be conveyed to other entities for ownership and maintenance upon completion.

Subsequent to fiscal year end, the District issued \$17,000,000 of Series 2022 Bonds, consisting of multiple term bonds with due dates ranging from May 1, 2029 – May 1, 2053 with a fixed interest rates of 4.625% to 5.5%. The Bonds were issued to finance the acquisition and construction of certain improvements for the benefit of the District. The District also issued \$17,130,000 of Series 2023 Bonds, consisting of multiple term bonds with due dates ranging from May 1, 2030 – May 1, 2053 and fixed interest rates ranging from 4.625% to 5.625%. The Bonds were issued to finance the acquisition and construction of certain improvements for the benefit of the District.

CONTACTING THE DISTRICT'S FINANCIAL MANAGMENT

This financial report is designed to provide our citizens, land owners, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the financial resources it manages and the stewardship of the facilities it maintains. If you have questions about this report or need additional financial information, contact the West Villages Improvement District's management services at Special District Services, Inc., 2501A Burns Road, Palm Beach Gardens, Florida 33410.

**WEST VILLAGES IMPROVEMENT DISTRICT
CITY OF NORTH PORT, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2022**

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash	\$ 8,937,563	\$ 549,629	\$ 9,487,192
Due from Developers	900,006	230,451	1,130,457
Assessments receivable - Developers	257	-	257
Other assets	2,325	-	2,325
Restricted assets:			
Investments	19,632,067	-	19,632,067
Capital assets:			
Nondepreciable	150,197,603	1,491,910	151,689,513
Depreciable, net	26,424,565	1,230,976	27,655,541
Total assets	<u>206,094,386</u>	<u>3,502,966</u>	<u>209,597,352</u>
LIABILITIES			
Accounts payable	698,268	521,824	1,220,092
Contracts and retainage payable	3,628,137	-	3,628,137
Accrued interest payable	2,927,779	-	2,927,779
Escrow deposits	13,793	-	13,793
Due to Bondholders:			
Principal	1,430,000	-	1,430,000
Interest	1,875,051	-	1,875,051
Non-current liabilities:			
Due within one year*	6,291,569	-	6,291,569
Due in more than one year	156,235,021	-	156,235,021
Developer advances	6,247,626	3,016,430	9,264,056
Total liabilities	<u>179,347,244</u>	<u>3,538,254</u>	<u>182,885,498</u>
NET POSITION			
Net investment in capital assets	6,417,952	(293,544)	6,124,408
Restricted for capital projects	3,789,913	-	3,789,913
Restricted for debt service	8,455,925	-	8,455,925
Unrestricted	8,083,352	258,256	8,341,608
Total net position	<u>\$ 26,747,142</u>	<u>\$ (35,288)</u>	<u>\$ 26,711,854</u>

* The missed debt service payment due for the Series 2019 Bonds are reflected in the due to Bondholders account balance.

See notes to the financial statements

**WEST VILLAGES IMPROVEMENT DISTRICT
CITY OF NORTH PORT, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		Total
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
Primary government:							
Governmental activities:							
General government	\$ 1,481,965	\$ 2,320,192	\$ -	\$ -	\$ 838,227	\$ -	\$ 838,227
Maintenance and operations	3,211,874	-	340,716	2,395,412	(475,746)	-	(475,746)
Interest on long-term debt	7,881,382	8,770,267	4,907,643	-	5,796,528	-	5,796,528
Total governmental activities	12,575,221	11,090,459	5,248,359	2,395,412	6,159,009	-	6,159,009
Business-type activities:							
Irrigation services	995,887	644,473	214,990	-	-	(136,424)	(136,424)
Total business-type activities	995,887	644,473	214,990	-	-	(136,424)	(136,424)
General revenues:							
Unrestricted investment earnings					878	24	902
Miscellaneous					399,323	-	399,323
Total general revenues					400,201	24	400,225
Change in net position					6,559,210	(136,400)	6,422,810
Net position - beginning					20,187,932	101,112	20,289,044
Net position - ending					\$ 26,747,142	\$ (35,288)	\$ 26,711,854

See notes to the financial statements

**WEST VILLAGES IMPROVEMENT DISTRICT
CITY OF NORTH PORT, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2022**

	Major Funds							
	Debt Service							
	General	Unit 1 Series 2007 & 2017	Unit 2 Series 2019	Unit 3 Series 2006 & 2017	Unit 4 Series 2016	Unit 5 Series 2017	Unit 7 Series 2019	Unit 7 & 8 Series 2021
ASSETS								
Cash	\$ 8,937,563	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	1,118,543	628,872	436,445	1,017,980	5,693,305	2,381,133	617,949
Due from Developers	781,657	-	-	-	118,349	-	-	-
Assessments receivable - Developers	257	-	-	-	-	-	-	-
Other assets	2,325	-	-	-	-	-	-	-
Total assets	<u>\$ 9,721,802</u>	<u>\$ 1,118,543</u>	<u>\$ 628,872</u>	<u>\$ 436,445</u>	<u>\$ 1,136,329</u>	<u>\$ 5,693,305</u>	<u>\$ 2,381,133</u>	<u>\$ 617,949</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ 378,478	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contracts and retainage payable	-	-	-	-	-	-	-	-
Escrow deposits	13,793	-	-	-	-	-	-	-
Due to Bondholders:								
Principal	-	-	1,430,000	-	-	-	-	-
Interest	-	-	1,875,051	-	-	-	-	-
Total liabilities	<u>392,271</u>	<u>-</u>	<u>3,305,051</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources:								
Unavailable revenue	155,882	-	-	-	-	-	-	-
Total deferred inflows of resources	<u>155,882</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:								
Restricted for:								
Debt service	-	1,118,543	-	436,445	1,136,329	5,693,305	2,381,133	617,949
Capital projects	-	-	-	-	-	-	-	-
Assigned to:								
Road resurfacing	1,195,601	-	-	-	-	-	-	-
Subsequent year expenditures	18,205	-	-	-	-	-	-	-
Unassigned	7,959,843	-	(2,676,179)	-	-	-	-	-
Total fund balances	<u>9,173,649</u>	<u>1,118,543</u>	<u>(2,676,179)</u>	<u>436,445</u>	<u>1,136,329</u>	<u>5,693,305</u>	<u>2,381,133</u>	<u>617,949</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 9,721,802</u>	<u>\$ 1,118,543</u>	<u>\$ 628,872</u>	<u>\$ 436,445</u>	<u>\$ 1,136,329</u>	<u>\$ 5,693,305</u>	<u>\$ 2,381,133</u>	<u>\$ 617,949</u>

(Continued)

See notes to the financial statements

**WEST VILLAGES IMPROVEMENT DISTRICT
CITY OF NORTH PORT, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2022
(Continued)**

	Major Funds					Total Governmental Funds
	Capital Projects					
	Unit 1 Series 2007 & 2017	Unit 3 Series 2006 & 2017	Unit 5 Series 2017	Unit 7 Series 2019	Unit 7 & 8 Series 2021	
ASSETS						
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,937,563
Investments	397	37,104	319	319,962	7,380,058	19,632,067
Due from Developers	-	-	-	-	-	900,006
Assessments receivable - Developers	-	-	-	-	-	257
Other assets	-	-	-	-	-	2,325
Total assets	<u>\$ 397</u>	<u>\$ 37,104</u>	<u>\$ 319</u>	<u>\$ 319,962</u>	<u>\$ 7,380,058</u>	<u>\$ 29,472,218</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ -	\$ -	\$ -	\$ 319,790	\$ -	\$ 698,268
Contracts and retainage payable	-	-	-	-	3,628,137	3,628,137
Escrow deposits	-	-	-	-	-	13,793
Due to Bondholders:						
Principal	-	-	-	-	-	1,430,000
Interest	-	-	-	-	-	1,875,051
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>319,790</u>	<u>3,628,137</u>	<u>7,645,249</u>
Deferred inflows of resources:						
Unavailable revenue	-	-	-	-	-	155,882
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>155,882</u>
Fund balances:						
Restricted for:						
Debt service	-	-	-	-	-	11,383,704
Capital projects	397	37,104	319	172	3,751,921	3,789,913
Assigned to:						
Road resurfacing	-	-	-	-	-	1,195,601
Subsequent year expenditures	-	-	-	-	-	18,205
Unassigned	-	-	-	-	-	5,283,664
Total fund balances	<u>397</u>	<u>37,104</u>	<u>319</u>	<u>172</u>	<u>3,751,921</u>	<u>21,671,087</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 397</u>	<u>\$ 37,104</u>	<u>\$ 319</u>	<u>\$ 319,962</u>	<u>\$ 7,380,058</u>	<u>\$ 29,472,218</u>

See notes to the financial statements

**WEST VILLAGES IMPROVEMENT DISTRICT
CITY OF NORTH PORT, FLORIDA
RECONCILIATION OF BALANCE SHEET – GOVERNMENTAL FUNDS
TO STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2022**

Fund balance - governmental funds \$ 21,671,087

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds. The statement of net position includes those capital assets, net of accumulated depreciation, in the net position of the government as a whole.

Cost of capital assets	192,602,677	
Accumulated depreciation	<u>(15,980,509)</u>	176,622,168

Assets that are not available to pay for current-period expenditures are unavailable in the fund statements.	155,882
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Liabilities not due and payable from current available resources are not reported as liabilities in the governmental fund financial statements. All liabilities, both current and long-term, are reported in the government-wide financial statements.

Accrued interest payable	(2,927,779)	
Bonds payable *	(162,526,590)	
Developer advances	<u>(6,247,626)</u>	<u>(171,701,995)</u>

Net position of governmental activities	<u>\$ 26,747,142</u>
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* The missed debt service payment due for the Series 2019 Bonds are reflected in the due to Bondholders account balance.

See notes to the financial statements

**WEST VILLAGES IMPROVEMENT DISTRICT
CITY OF NORTH PORT, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

	Major Funds							
	General	Debt Service						
		Unit 1 Series 2007 & 2017	Unit 2 Series 2019	Unit 3 Series 2006 & 2017	Unit 4 Series 2016	Unit 5 Series 2017	Unit 7 Series 2019	Unit 7 & 8 Series 2021
REVENUES								
Assessments	\$ 2,320,192	\$ 2,212,486	\$ 1,370,726	\$ 1,294,014	\$ 832,678	\$ -	\$ 2,232,784	827,579
Developers contributions	340,716	-	-	-	-	-	-	-
Contributions - Atlanta Braves	-	-	-	-	3,882,893	-	-	-
Developers contributions - capital	1,079,269	-	-	-	-	-	-	-
Contributions other governments	1,315,747	-	-	-	999,996	-	-	-
Miscellaneous	243,441	-	-	-	-	-	-	-
Interest income	878	75	215	29	47	24,243	113	32
Total revenues	5,300,243	2,212,561	1,370,941	1,294,043	832,725	4,907,132	2,232,897	827,611
EXPENDITURES								
Current:								
General government	1,481,965	-	-	-	-	-	-	-
Maintenance and operations	1,493,655	-	-	-	-	-	-	-
Debt service:								
Principal	569,378	1,155,000	1,135,000	660,000	255,000	1,907,805	535,000	420,000
Interest	-	1,238,419	1,544,738	640,691	577,028	1,681,564	1,526,863	773,361
Capital outlay	874,496	-	-	-	-	-	-	-
Total expenditures	4,419,494	2,393,419	2,679,738	1,300,691	832,028	3,589,369	2,061,863	1,193,361.00
Excess (deficiency) of revenues over (under) expenditures	880,749	(180,858)	(1,308,797)	(6,648)	697	1,317,763	171,034	(365,750)
OTHER FINANCING SOURCES (USES)								
Developer advances	150,680	-	-	-	-	-	-	-
Total other financing sources (uses)	150,680	-	-	-	-	-	-	-
Net change in fund balances	1,031,429	(180,858)	(1,308,797)	(6,648)	697	1,317,763	171,034	(365,750)
Fund balances - beginning	8,142,220	1,299,401	(1,367,382)	443,093	1,135,632	4,375,542	2,210,099	983,699
Fund balances - ending	\$ 9,173,649	\$ 1,118,543	\$ (2,676,179)	\$ 436,445	\$ 1,136,329	\$ 5,693,305	\$ 2,381,133	\$ 617,949

(Continued)

See notes to the financial statements

**WEST VILLAGES IMPROVEMENT DISTRICT
CITY OF NORTH PORT, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022
(Continued)**

	Major Funds					Total Governmental Funds
	Capital Projects					
	Unit 1 Series 2007 & 2017	Unit 3 Series 2006 & 2017	Unit 5 Series 2017	Unit 7 Series 2019	Unit 7 & 8 Series 2021	
REVENUES						
Assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,090,459
Developers contributions	-	-	-	-	-	340,716
Contributions - Atlanta Braves	-	-	-	-	-	3,882,893
Developers contributions - capital	-	-	-	-	-	1,079,269
Contributions other governments	-	-	-	-	-	2,315,743
Miscellaneous	-	-	-	-	-	243,441
Interest income	-	2	-	25	369	26,028
Total revenues	-	2	-	25	369	18,978,549
EXPENDITURES						
Current:						
General government	-	-	-	-	-	1,481,965
Maintenance and operations	-	-	-	-	-	1,493,655
Debt service:						
Principal	-	-	-	-	-	6,637,183
Interest	-	-	-	-	-	7,982,664
Capital outlay	-	-	-	320,693	3,628,137	4,823,326
Total expenditures	-	-	-	320,693	3,628,137	22,418,793
Excess (deficiency) of revenues over (under) expenditures	-	2	-	(320,668)	(3,627,768)	(3,440,244)
OTHER FINANCING SOURCES (USES)						
Developer advances	-	-	-	-	-	150,680
Total other financing sources (uses)	-	-	-	-	-	150,680
Net change in fund balances	-	2	-	(320,668)	(3,627,768)	(3,289,564)
Fund balances - beginning	397	37,102	319	320,840	7,379,689	24,960,651
Fund balances - ending	\$ 397	\$ 37,104	\$ 319	\$ 172	\$ 3,751,921	\$ 21,671,087

See notes to the financial statements

**WEST VILLAGES IMPROVEMENT DISTRICT
CITY OF NORTH PORT, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

Net change in fund balances - total governmental funds \$ (3,289,564)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures, however, the cost of capital assets is eliminated in the statement of activities and capitalized in the statement of net position. 4,823,326

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental fund financial statements. 155,882

Governmental funds report Developer advances as financial resources when cash is received, whereas these amounts are eliminated in the statement of activities and recognized as long-term liabilities in the statement of net position. (150,680)

Repayment of long-term liabilities are reported as expenditures in the governmental fund financial statements but such repayments reduce liabilities in the statement of net position and are eliminated in the statement of activities. 6,637,183

Depreciation of capital assets is not recognized in the governmental fund financial statements but is reported as an expense in the statement of activities. (1,718,219)

Amortization of Bond discounts/premiums is not recognized in the governmental fund financial statements, but is reported as an expense in the statement of activities. (1,622)

The change in accrued interest on long-term liabilities between the current and prior fiscal year is recorded in the statement of activities but not in the fund financial statements. 102,904

Change in net position of governmental activities \$ 6,559,210

See notes to the financial statements

**WEST VILLAGES IMPROVEMENT DISTRICT
CITY OF NORTH PORT, FLORIDA
STATEMENT OF NET POSITION - PROPRIETARY FUND
SEPTEMBER 30, 2022**

	Business-type Activities - Irrigation Fund
ASSETS	
Current assets:	
Cash and equivalents	\$ 549,629
Due from Developers	230,451
Total current assets	780,080
Noncurrent assets:	
Capital assets:	
Construction in progress	1,491,910
Irrigation system	1,364,593
Less accumulated depreciation	(133,617)
Total capital assets, net of depreciation	2,722,886
Total noncurrent assets	2,722,886
Total assets	3,502,966
LIABILITIES	
Current liabilities:	
Accounts payable and accrued expenses	521,824
Total current liabilities	521,824
Noncurrent liabilities	
Developer advances	3,016,430
Total noncurrent liabilities	3,016,430
Total liabilities	3,538,254
NET POSITION	
Investment in capital assets	(293,544)
Unrestricted	258,256
	\$ (35,288)

See notes to the financial statements

**WEST VILLAGES IMPROVEMENT DISTRICT
CITY OF NORTH PORT, FLORIDA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
NET POSITION - PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

	<u>Business-type Activities - Irrigation Fund</u>
Operating revenues:	
Charges for services:	
Irrigation revenues	\$ 644,473
Developer contribution	214,990
Total operating revenues	<u>859,463</u>
 Operating expenses:	
Irrigation services	753,718
Administrative and other	197,630
Depreciation	44,539
Total operating expenses	<u>995,887</u>
 Operating income (loss)	<u>(136,424)</u>
 Nonoperating revenues (expenses):	
Interest income	<u>24</u>
Total nonoperating revenues (expenses)	<u>24</u>
 Net income	(136,400)
 Total net position - beginning	<u>101,112</u>
 Total net position - ending	<u>\$ (35,288)</u>

See notes to the financial statements

**WEST VILLAGES IMPROVEMENT DISTRICT
CITY OF NORTH PORT, FLORIDA
STATEMENT OF CASH FLOWS - PROPRIETARY FUND
FISCAL YEAR ENDED SEPTEMBER 30, 2022**

CASH FLOW FROM OPERATING ACTIVITIES	
Receipts from customers and users	\$ 644,473
Receipts from Developer	214,990
Payments for goods and services	<u>(561,109)</u>
Net cash provided (used) by operating activities	<u>298,354</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds from Developer advances	1,464,997
Purchase of capital assets	<u>(1,371,965)</u>
Net cash provided (used) by capital and related financing activities	<u>93,032</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest income	<u>24</u>
Net cash provided (used) by investing activities	<u>24</u>
Net increase (decrease) in cash and cash equivalents	391,410
Cash and cash equivalents - October 1	<u>158,219</u>
Cash and cash equivalents - September 30	<u>\$ 549,629</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Operating income (loss)	\$ (136,424)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	44,539
Increase/(Decrease) in:	
Accounts payable	390,239
Total adjustments	<u>434,778</u>
Net cash provided (used) by operating activities	<u>\$ 298,354</u>

See notes to the financial statements

**WEST VILLAGES IMPROVEMENT DISTRICT
CITY OF NORTH PORT, FLORIDA
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 – NATURE OF ORGANIZATION AND REPORTING ENTITY

West Villages Improvement District ("District") was created on July 23, 2004. The District is governed by the Board of Supervisors ("Board"), which is composed of five members. The Board of Supervisors of the District exercise all powers granted to the District pursuant to Chapter 2004-456 Laws of Florida.

The District provides among other things, the power to manage basic services for community development, power to borrow money and issue bonds, and to levy and assess non-ad valorem assessments for the financing and delivery of capital infrastructure.

The District was established for the purposes of financing and managing the acquisition, construction, maintenance and operation of a portion of the infrastructure necessary for community development within the District.

The District is being developed by separate Developers, a Master Developer and by other Homebuilders. The Master Developers are Thomas Ranch Land Partners Village, LLP ("Thomas Ranch") a subsidiary of Mattamy Homes who assumed responsibility as the major developer for Unit 1, replacing Fourth Quarter Properties XXXII, LLC and became the new majority owner for the District. Other Developers include Lennar Homes, Inc. ("Lennar"), Gran Paradiso I and II, and Pulte Homes, LP. At September 30, 2022, a majority of the Board Members are affiliated with Thomas Ranch. All references to ("Developer") include all of the entities associated with the District. The District has previously created five separate development units – Units 1, 2, 3, 4 and 5. During a prior year Unit 6 was created for the construction of the Master Irrigation system, which is funded by the Master Developer and by fees generated from an approved rate structure. During a prior fiscal year, Unit 7 was created for the development of Unit 7 infrastructure improvements. During a prior fiscal year end, Unit 8 was created for the development of Unit 8 infrastructure improvements. During the current fiscal year end Unit 9 was created for the development of Unit 9 infrastructure improvements.

The Board has the final responsibility for:

1. Assessing and levying assessments.
2. Approving budgets.
3. Exercising control over facilities and properties.
4. Controlling the use of funds generated by the District.
5. Approving the hiring and firing of key personnel.
6. Financing improvements.

The financial statements were prepared in accordance with Governmental Accounting Standards Board ("GASB") Statements. Under the provisions of those standards, the financial reporting entity consists of the primary government, organizations for which the District is considered to be financially accountable, and other organizations for which the nature and significance of their relationship with the District are such that, if excluded, the financial statements of the District would be considered incomplete or misleading. There are no entities considered to be component units of the District; therefore, the financial statements include only the operations of the District.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Government-Wide and Fund Financial Statements

The basic financial statements include both government-wide and fund financial statements.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide and Fund Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include: 1) charges to customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; operating-type special assessments for maintenance and debt service are treated as charges for services and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not included among program revenues are reported instead as *general revenues*.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement* focus and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Assessments are recognized as revenues in the year for which they are levied. Grants and similar items are to be recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement* focus and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Assessments

Assessments are non-ad valorem assessments on certain land and all platted lots within the District. Assessments are levied each November 1 on property of record as of the previous January. The fiscal year for which annual assessments are levied begins on October 1 with discounts available for payments through February 28 and become delinquent on April 1. For debt service assessments, amounts collected as advance payments are used to prepay a portion of the Bonds outstanding. Otherwise, assessments are collected annually to provide funds for the debt service on the portion of the Bonds which are not paid with prepaid assessments.

Assessments and interest associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. The portion of assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period.

The District reports the following major governmental funds:

General Fund

The general fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

Debt Service Funds - Unit 1, Unit 2 (2019), Unit 3, Unit 4, Unit 5, Unit 7 and Unit 7 & 8

The debt service funds for each unit are used to account for the accumulation of resources for the annual payment of principal and interest on long-term debt for each development unit.

Capital Projects Funds - Unit 1, Unit 3, Unit 5, Unit 7 and Unit 7 & 8

This funds accounts for the financial resources to be used for the acquisition or construction of major infrastructure within the District for each development unit.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

The District reports the following enterprise fund:

Irrigation Fund

The Irrigation Fund accounts for the operations of the irrigation lines, which are funded by proceeds from operations of these facilities including user fees, meter fees and connection fees.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's enterprise fund are charges to customers for sales and services. Operating expenses of the enterprise fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first for qualifying expenditures, then unrestricted resources as they are needed.

Assets, Liabilities and Net Position or Equity

Restricted Assets

These assets represent cash and investments set aside pursuant to Bond covenants or other contractual restrictions

Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand and demand deposits (interest and non-interest bearing).

The District has elected to proceed under the Alternative Investment Guidelines as set forth in Section 218.415 (17) Florida Statutes. The District may invest any surplus public funds in the following:

- a) The Local Government Surplus Trust Funds, or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act;
- b) Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency;
- c) Interest bearing time deposits or savings accounts in qualified public depositories;
- d) Direct obligations of the U.S. Treasury.

Securities listed in paragraph c and d shall be invested to provide sufficient liquidity to pay obligations as they come due.

The District records all interest revenue related to investment activities in the respective funds. Investments are measured at amortized cost or reported at fair value as required by generally accepted accounting principles.

Inventories and Prepaid Items

Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position or Equity (Continued)

Capital Assets

Capital assets which include property, plant and equipment, infrastructure assets, (e.g., roads, sidewalks and similar items) and construction in progress are reported in the government activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant and equipment of the District are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Water Management & Environmental	30
Roadways	25
Gateway Entry	15
Landscape & Lighting	10
Irrigation System	30

In the governmental fund financial statements, amounts incurred for the acquisition of capital assets are reported as fund expenditures. Depreciation expense is not reported in the governmental fund financial statements.

Unearned Revenue

Governmental funds report unearned revenue in connection with resources that have been received, but not yet earned.

Long-Term Obligations

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized ratably over the life of the Bonds. Bonds payable are reported net of applicable premiums or discounts. Bond issuance costs are expensed when incurred.

In the fund financial statements, governmental fund types recognize premiums and discounts, as well as issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position or Equity (Continued)

Fund Equity/Net Position

In the fund financial statements, governmental funds report non spendable and restricted fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Assignments of fund balance represent tentative management plans that are subject to change.

The District can establish limitations on the use of fund balance as follows:

Committed fund balance – Amounts that can be used only for the specific purposes determined by a formal action (resolution) of the Board of Supervisors. Commitments may be changed or lifted only by the Board of Supervisors taking the same formal action (resolution) that imposed the constraint originally. Resources accumulated pursuant to stabilization arrangements sometimes are reported in this category.

Assigned fund balance – Includes spendable fund balance amounts established by the Board of Supervisors that are intended to be used for specific purposes that are neither considered restricted nor committed. The Board may also assign fund balance as it does when appropriating fund balance to cover differences in estimated revenue and appropriations in the subsequent year's appropriated budget. Assignments are generally temporary and normally the same formal action need not be taken to remove the assignment.

The District first uses committed fund balance, followed by assigned fund balance and then unassigned fund balance when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Net position is the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. Net position in the government-wide financial statements are categorized as net investment in capital assets, restricted or unrestricted. Net investment in capital assets represents net position related to infrastructure and property, plant and equipment. Restricted net position represents the assets restricted by the District's Bond covenants or other contractual restrictions. Unrestricted net position consists of the net position not meeting the definition of either of the other two components.

Other Disclosures

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

NOTE 3 – BUDGETARY INFORMATION

The District is required to establish a budgetary system and an approved Annual Budget. Annual Budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund. All annual appropriations lapse at fiscal year-end.

The District follows these procedures in establishing the budgetary data reflected in the financial statements.

- a) Each year the District Manager submits to the District Board a proposed operating budget for the fiscal year commencing the following October 1.
- b) Public hearings are conducted to obtain public comments.
- c) Prior to October 1, the budget is legally adopted by the District Board.
- d) All budget changes must be approved by the District Board.
- e) The budgets are adopted on a basis consistent with generally accepted accounting principles.
- f) Unused appropriation for annually budgeted funds lapse at the end of the year.

NOTE 4 – DEPOSITS AND INVESTMENTS

Deposits

The District's cash balances were entirely covered by federal depository insurance or by a collateral pool pledged to the State Treasurer. Florida Statutes Chapter 280, "Florida Security for Public Deposits Act", requires all qualified depositories to deposit with the Treasurer or another banking institution eligible collateral equal to various percentages of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance held. The percentage of eligible collateral (generally, U.S. Governmental and agency securities, state or local government debt, or corporate bonds) to public deposits is dependent upon the depository's financial history and its compliance with Chapter 280. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses.

Investments

The District's investments were held as follows at September 30, 2022:

<u>Investment</u>	<u>Amortized cost</u>	<u>Credit Risk</u>	<u>Maturities</u>
US Bank Money Market Account	\$ 15,520,145	Not Available	Not available
Florida Education Investment Trust Fund	4,111,922	Not Available	Not available
	<u>\$ 19,632,067</u>		

Credit risk – For investments, credit risk is generally the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Investment ratings by investment type are included in the preceding summary of investments.

Concentration risk – The District places no limit on the amount the District may invest in any one issuer.

Interest rate risk – The District does not have a formal policy that limits investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates.

However, the Bond Indentures limit the type of investments held using unspent proceeds.

Fair Value Measurement – When applicable, the District measures and records its investments using fair value measurement guidelines established in accordance with GASB Statements. The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques.

NOTE 4 – DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

These guidelines recognize a three-tiered fair value hierarchy, in order of highest priority, as follows:

- *Level 1:* Investments whose values are based on unadjusted quoted prices for identical investments in active markets that the District has the ability to access;
- *Level 2:* Investments whose inputs - other than quoted market prices - are observable either directly or indirectly; and,
- *Level 3:* Investments whose inputs are unobservable.

The fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the entire fair value measurement. Valuation techniques used should maximize the use of observable inputs and minimize the use of unobservable inputs.

Money market investments that have a maturity at the time of purchase of one year or less and are held by governments other than external investment pools should be measured at amortized cost. Accordingly, the District's investments have been reported at amortized cost above.

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the governmental activities for the fiscal year ended September 30, 2022 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<u>Governmental activities</u>				
Capital assets, not being depreciated				
Land	\$ 12,837,903	\$ -	\$ -	\$ 12,837,903
Infrastructure in progress	63,384,998	-	-	63,384,998
Infrastructure in progress - wastewater treatment plant	56,660,393	874,496	-	57,534,889
Village B Parcel Project - CIP	816,871	320,693	-	1,137,564
Unit No. 8 Improvements - CIP	11,674,112	3,628,137	-	15,302,249
Total capital assets, not being depreciated	<u>145,374,277</u>	<u>4,823,326</u>	<u>-</u>	<u>150,197,603</u>
Capital assets, being depreciated				
Water Management and Environmental	18,771,847	-	-	18,771,847
Roadways	13,908,078	-	-	13,908,078
Gateway Entry	6,346,169	-	-	6,346,169
Landscape and Lighting - Unit 3	3,378,980	-	-	3,378,980
Total capital assets, being depreciated	<u>42,405,074</u>	<u>-</u>	<u>-</u>	<u>42,405,074</u>
Less accumulated depreciation for:				
Water Management and Environmental	3,767,762	515,274	-	4,283,036
Roadways	4,060,011	441,950	-	4,501,961
Gateway Entry	3,984,756	423,097	-	4,407,853
Landscape and Lighting - Unit 3	2,449,761	337,898	-	2,787,659
Total accumulated depreciation	<u>14,262,290</u>	<u>1,718,219</u>	<u>-</u>	<u>15,980,509</u>
Total capital assets, being depreciated, net	<u>28,142,784</u>	<u>(1,718,219)</u>	<u>-</u>	<u>26,424,565</u>
Governmental activities capital assets, net	<u>\$ 173,517,061</u>	<u>\$ 3,105,107</u>	<u>\$ -</u>	<u>\$ 176,622,168</u>

Depreciation expense was charged to maintenance and operations.

NOTE 5 – CAPITAL ASSETS (Continued)

Capital asset activity for the business-type activities for the fiscal year ended September 30, 2022 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<u>Business type activities</u>				
Capital assets, not being depreciated				
Construction in progress	\$ 119,945	\$ 1,371,965	\$ -	\$ 1,491,910
Total capital assets, not being depreciated	119,945	1,371,965	-	1,491,910
Capital assets, being depreciated				
Irrigation system	1,364,593	-	-	1,364,593
Total capital assets, being depreciated	1,364,593	-	-	1,364,593
Less accumulated depreciation for:				
Irrigation system	89,078	44,539	-	133,617
Total accumulated depreciation	89,078	44,539	-	133,617
Total capital assets, being depreciated, net	1,275,515	(44,539)	-	1,230,976
Business type activities capital assets, net	\$ 1,395,460	\$ 1,327,426	\$ -	\$ 2,722,886

Governmental activities

Costs incurred to-date relate to Development Unit's No. 1, No. 2, No. 3, No. 4, No. 5 No. 7 and No. 8. Certain improvements were acquired directly from the Developer. The total anticipated project costs have been estimated at approximately \$30 million for Unit No. 1, \$34 million for Unit No. 2, \$47 million for Unit No. 3 and \$30 million for Unit No. 4, \$117 million for Unit 5 and \$72.5 million for Unit 7 and \$50, million for Unit No. 8. Unit's No. 3, No. 4 and No. 5 were completed in a prior fiscal year.

Funding for the Unit 5 improvements are derived from multiple sources which include contributions from certain Developers, City of North Port, Sarasota County, the State of Florida and Atlanta National League Baseball Club, LLC ("Atlanta Braves"). The Unit 5 improvements were conveyed to the County during a prior fiscal year.

Certain improvements will be conveyed to other entities upon completion of the various developments, which include but are not limited to the wastewater treatment plant and the other improvements.

The District has entered an agreement with the Developer, whereby the Developer has agreed to provide funding for the completion of the wastewater treatment plant. The waste water treatment plant will be conveyed to another entity for ownership and maintenance upon completion. During the current year the Developer contributed \$1,032,687 towards the construction of the wastewater treatment plant. See Note 6. The total cost of the project is estimated at approximately \$30 million.

In the current year additions For Village B Parcel Project – CIP and Unit No. 8 Improvements – CIP were improvements purchased from the Developer.

Business type activities

Unit No. 6 is comprised of the Master Irrigation Facility. The original agreements with the Developer provided for Developer contributions for funding of the improvements and any costs overruns related to the Master Irrigation Facility. The original agreements and or new agreements have been modified to provide for reimbursement to the Developer of amounts advanced under certain conditions.

NOTE 6 – LONG TERM LIABILITIES

Series 2016 (Unit 4)

On November 15, 2016, the District issued \$13,090,000 of Special Assessment Revenue Bonds, Series 2016 (Unit 4), due November 1, 2046 with interest rates of 3.375% to 5.0%. The Bonds were issued for the purpose of financing the acquisition and construction of certain improvements for the benefit of the District. Interest is paid semiannually on each May 1 and November 1, commencing May 1, 2017. Principal is paid serially commencing November 1, 2017 through November 1, 2046.

Series 2017 (Unit 1)

On August 31, 2017, the District issued \$32,165,000 of Special Assessment Revenue Refunding Bonds, Series 2017 (Unit 1), due May 1, 2037 with interest rates of 3.50% - 4.625%. The Bonds were issued for the purpose of refunding the District's outstanding Series 2007 Special Assessment Revenue Bonds (the "Refunded Bonds"), and to finance the acquisition and construction of certain improvements for the benefit of the District. Interest is paid semiannually on each May 1 and November 1, commencing May 1, 2018. Principal is paid serially commencing May 1, 2018 through May 1, 2038.

Series 2017 (Unit 3)

On August 31, 2017, the District issued \$16,550,000 of Special Assessment Revenue Refunding Bonds, Series 2017 (Unit 3), due May 1, 2037 with interest rates of 3.50% - 5.00%. The Bonds were issued for the purpose of refunding the District's outstanding Series 2006 Special Assessment Revenue Bonds (the "Refunded Bonds") and to finance the acquisition and construction of certain improvements for the benefit of the District. Interest is paid semiannually on each May 1 and November 1, commencing November 1, 2017. Principal is paid serially commencing May 1, 2018 through May 1, 2037.

Series 2017A (Unit 5)

On December 21, 2017, the District issued \$13,955,000 of Taxable Florida State Sales Tax Payments Revenue Bonds, Series 2017A, consisting of multiple term bonds with due dates ranging from February 1, 2019 – February 1, 2038 and fixed interest rates ranging from 2.277% to 3.831%. The Bonds were issued for the purpose of funding a portion of the costs of the 2017 Project. Interest is paid semiannually on each August 1 and February 1, commencing August 1, 2018. Principal is paid serially commencing August 1, 2018 through February 1, 2038. Principal and interest on the Bonds are to be paid with Florida State Sales Tax Payments pledged to the District.

Series 2017B (Unit 5)

On December 21, 2017, the District issued \$27,500,000 of Senior Secured Notes due December 30, 2033 with a fixed interest rate of 5.4%. The Notes were issued for the purpose of funding a portion of the costs of the 2017 Project. Interest is paid semiannually on each June 30 and December 30, commencing June 30, 2018. Principal is paid serially commencing June 30, 2018 through December 30, 2033. Principal and interest on the Bonds are to be paid with Florida State Sales Tax Payments pledged to the District and by an annual fee to be paid by Atlanta Braves.

Series 2019 (Unit 7)

On April 15, 2019, the District issued \$32,360,000 of Series 2019 Special Assessment Revenue Bonds (Unit 7), due dates ranging from May 1, 2021 to May 1, 2050 with interest rates of 4.00% - 5.00%. The Bonds were issued for the purpose of financing the acquisition and construction of certain improvements for the benefit of the District. Interest is paid semiannually on each May 1 and November 1, commencing May 1, 2019. Principal is paid serially commencing May 1, 2021 through May 1, 2050.

NOTE 6 – LONG TERM LIABILITIES (Continued)

Series 2019 (Unit 2)

During the prior fiscal year end the Unit 2 Series 2005 bond was bifurcated. The primary purpose of the Bifurcation is to divide the security for the trust estate of the Series 2005 Bonds into two separate and distinct trust estates secured by two separate and distinct sources of collateral. Accordingly, two separate assessment areas have been established within Unit No. 2 relative to the Bifurcated Bonds. "Assessment Area 1" includes all lands within Unit No. 2 with the exception of (1) the Delinquent Commercial Property; (2) the residential units which have prepaid the Series 2005 Assessments levied on their property in full; and (3) those units for which the District has received a true-up payment in accordance with the various True-Up Agreements executed in conjunction with the issuance of the Series 2005 Bonds. "Assessment Area 2" includes the Delinquent Commercial Property.

The Series 2005 (Unit 2) Bonds with principal outstanding of \$32,965,000 were exchanged for \$15,190,000 Series 2019A-1 "Assessment Area 1", \$17,445,000 Series 2019A-2 "Assessment Area 2" and \$330,000 of Defeased Bonds. The Series 2019A-1 Bonds are current on their debt service payments. The Defeased Bonds were paid by the District during the prior fiscal year and are no longer a liability of the District. The Bondholders cancelled \$4,615,000 of the Series 2019A-2 Bonds, leaving a balance of \$12,830,000 after the restructuring.

Series 2019A-1 (Unit 2)

The Series 2019A-1 Special Assessment Bonds (Unit 2) were exchanged for the Series 2005 Bonds in October 2019, with due dates ranging from May 1, 2020 to May 1, 2036 with an interest rate of 5.75%. Interest is paid semiannually on each May 1 and November 1, commencing May 1, 2020. Principal is paid serially commencing May 1, 2020 through May 1, 2036.

Series 2019A-2 (Unit 2)

The Series 2019A-2 Special Assessment Bonds (Unit 2) were exchanged for the Series 2005 Bonds in October 2019, with due dates ranging from May 1, 2020 to May 1, 2036 with an interest rate of 5.75%. Interest is paid semiannually on each May 1 and November 1, commencing May 1, 2020. Principal is paid serially commencing May 1, 2020 through May 1, 2036.

Subsequent to the restructuring the District had delinquent assessments still due from Major Landowners as of September 30, 2022 related to the Bonds. Consequently, the District has not made the prior year and current year debt service payments. The District owes \$1,430,000 of principal and \$1,875,051 of interest on the Bonds as of September 30, 2022. The District's failures to make its scheduled debt service payments when they are due are considered events of default. In addition, subsequent to year end, the District did not pay the scheduled debt service on the Bonds.

Series 2021 (Unit 7)

On April 20, 2021, the District issued \$7,975,000 of Special Assessment Revenue Bonds (Unit 7), Series 2021 (Village F-1 and F-5), consisting of \$845,000 Term Bonds due on May 1, 2026; \$970,000 Term Bonds due on May 1, 2031; \$2,510,000 Term Bond due on May 1, 2041; and \$3,650,000 due May 1, 2051, with fixed interest rates ranging from 2.50% to 4.00%. The bonds were issued to finance the acquisition and construction of certain improvements for the benefit of the District. Interest is to be paid semiannually on each May 1 and November 1. Principal on the Bonds is to be paid serially commencing May 1, 2022 through May 1, 2051.

Series 2021 (Unit 8)

On April 20, 2021, the District issued \$13,000,000 of Special Assessment Revenue Bonds (Unit 8), Series 2021 (Master Infrastructure), consisting of \$1,375,000 Term Bonds due on May 1, 2026; \$1,575,000 Term Bonds due on May 1, 2031; \$4,090,000 Term Bond due on May 1, 2041; and \$5,960,000 due May 1, 2051, with fixed interest rates ranging from 2.500% to 4.000%. The bonds were issued to finance the acquisition and construction of certain improvements for the benefit of the District. Interest is to be paid semiannually on each May 1 and November 1. Principal on the Bonds is to be paid serially commencing May 1, 2022 through May 1, 2051.

NOTE 6 – LONG TERM LIABILITIES (Continued)

Redemption Provisions

All of the Bond/Notes are subject to redemption at the option of the District prior to their maturity as outlined in the Bond/Note Indentures. The Bonds, except for the 2017A Bonds and B Notes are also subject to extraordinary mandatory redemption prior to their selected maturity in the manner determined by the Bond Registrar if certain events occur as outlined in the Bond/Note Indentures.

Indenture Requirements

The Bond Indentures require that the District maintain adequate funds in the reserve accounts to meet the debt service reserve requirements as defined in the Bond Indentures. In addition, the Bond Indentures have certain restrictions and requirements relating principally to the use of proceeds to pay for the infrastructure improvements and the procedures to be followed by the District on assessments to property owners. The District agrees to levy special assessments in annual amounts adequate to provide payment of debt service and to meet the reserve requirements. The District is in compliance with the reserve requirements outlined in the various indentures.

Developer Advances

Pursuant to Construction Funding Agreements, the Developer agreed to fund the acquisition of certain capital improvements with the District to repay the Developer from a future Bond issuances. Pursuant to the agreements, Developer advances of \$6,247,626 have been recorded as a liability on the financial statements as of September 30, 2022. The District reimbursed the Developer \$569,378 for amounts previously advanced.

Long-term debt activity

Changes in long-term liability activity for the fiscal year ended September 30, 2022 were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<u>Governmental activities</u>					
Bonds/Note payable:					
Bond Series 2016 (Unit 4)	\$ 12,125,000	\$ -	\$ 255,000	\$ 11,870,000	\$ 260,000
Bond Series 2017 (Unit 1)	28,155,000	-	1,155,000	27,000,000	1,200,000
Less: Original issue discount	(304,053)	-	(17,885)	(286,168)	-
Bond Series 2017 (Unit 3)	14,055,000	-	660,000	13,395,000	650,000
Add: Original issue premium	211,448	-	13,216	198,232	-
Bond Series 2017 (Unit 5)	12,170,000	-	560,000	11,610,000	570,000
Note 2017 (Unit 5)	23,310,081	-	1,347,805	21,962,276	1,421,569
Bond Series 2019 (U7)	31,845,000	-	535,000	31,310,000	565,000
Less: Original issue discount	(54,545)	-	(2,020)	(52,525)	-
Bond Series 2019 A-1 (U2)	14,040,000	-	620,000	13,420,000	645,000
Bond Series 2019 A-2 (U2)	12,830,000	-	-	12,830,000	1,975,000
Bond Series 2021 (F1 & F5)	7,975,000	-	160,000	7,815,000	165,000
Add: Original issue premium	56,889	-	1,924	54,965	-
Bond Series 2021 (Master Infrastructure)	13,000,000	-	260,000	12,740,000	270,000
Add: Original issue premium	92,953	-	3,143	89,810	-
Developer advances- WWTP	6,211,519	-	-	6,211,519	-
Developer advances- Fire station	454,805	150,680	569,378	36,107	-
Total	\$ 176,174,097	\$ 150,680	\$ 6,120,561	\$ 170,204,216	\$ 7,721,569

* Includes \$1,430,000 due to bondholders for the Series 2019 Bond which was not paid.

NOTE 6 – LONG TERM LIABILITIES (Continued)

Long-term debt activity (Continued)

At September 30, 2022, the scheduled debt service requirements on the long - term debt were as follows:

Year ending September 30:	Governmental Activities		
	Principal	Interest	Total
2023	\$ 7,721,569	\$ 9,604,362	\$ 17,325,931
2024	6,579,370	7,364,244	13,943,614
2025	6,876,429	7,067,077	13,943,506
2026	7,187,979	6,753,680	13,941,659
2027	7,514,265	6,424,124	13,938,389
2028-2032	43,545,380	26,328,219	69,873,599
2033-2037	43,097,284	15,205,870	58,303,154
2038-2042	15,460,000	7,894,756	23,354,756
2043-2047	15,930,000	4,530,900	20,460,900
2048-2051	10,040,000	1,022,100	11,062,100
Total	\$ 163,952,276	\$ 92,195,332	\$ 256,147,608

* Includes \$1,430,000 in principal and \$1,875,051 due to Bondholders for the Series 2019 Bond which was not paid.

NOTE 7 – DEVELOPER CONTRIBUTIONS

Governmental Funds

The Developer owns a portion of land within the District; therefore, assessment revenues in the general and debt service funds include the assessments levied on those lots owned by the Developer. The Developer also provided \$340,716 as Developer contributions for the general fund during the current fiscal year.

NOTE 8 – DELINQUENT ASSESSMENTS

The Developer owns a significant portion of land within the District; therefore, assessment revenues in the general and debt service funds include the assessments levied on those lots owned by the Developer. However, a Major Landowner did not pay a portion of their assessments. See Note 6.

NOTE 9 – CONCENTRATION

The District's activity is dependent upon the continued involvement of the Developer and Major Landowners, the loss of which could have a material adverse effect on the District's operations.

NOTE 10 – MANAGEMENT COMPANY

The District has contracted with a management company to perform management advisory services, which include financial and accounting advisory services. Certain employees of the management company also serve as officers of the District. Under the agreement, the District compensates the management company for management, accounting, financial reporting, computer and other administrative costs.

NOTE 11 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The District has obtained commercial insurance from independent third parties to mitigate the costs of these risks; coverage may not extend to all situations. There were no settled claims during the past three years.

NOTE 12 – CITY OF NORTH PORT AGREEMENTS

General Principal Agreement

On June 26, 2006, the District entered into a General Principles of Agreement with the City of North Port (“City”) and Fourth Quarter Properties XXXII, LLC. Under the agreement, the District is responsible for the construction and equipping of a police substation and fire and emergency medical facilities, which are eligible to be reimbursed from impact fees collected within the District; dedication of certain lands for community parks and general government use; master plan and design of parks within the District eligible to be reimbursed from impact fees collected within the District; as well as other items as described in the General Principles of Agreement. Note, this is a summary; the agreement includes more specific content and provisions. The Agreement referred to above was assumed by the new major Developer.

On June 27, 2006, Fourth Quarter Properties XXXII, LLC (Fourth Quarter) entered into a Guarantee Agreement in favor of West Villages Improvement District. Under the agreement, Fourth Quarter unconditionally guarantees to transfer real property to the District or North Port as outlined in the General Principles of Agreement denoted above. Fourth Quarter also acknowledges that the District may not be able to reimburse or pay for this property unless it is authorized to do so pursuant to its enabling legislation and the applicable requirements of either Chapter 170 or 298, Florida Statutes. This agreement also states that Fourth Quarter unconditionally agrees to advance funds to the District in a timely fashion as are necessary for the construction and equipping as outlined in the General Principles of Agreement; however, Fourth Quarter shall be entitled to reimbursement of any such advances from impact fees collected within the District and/or future unit development funding. Note, this is a summary; the agreement includes more specific content and provisions. The Agreement referred to above was assumed by the new major Developer. The agreement was superseded during a prior fiscal year.

Development Agreement with City of North Port and Developer

During a prior fiscal year the District entered into the West Village Developer Agreement (“Agreement”) with the City of North Port (“City”) and the Developer. The key terms of the agreement are summarized below:

1. The agreement related to capacity for and construction of water and wastewater facilities are memorialized in the *2019 Amended and Restated Utilities Agreement*, dated September 10, 2019 and which may be amended in the future. The Agreement does not amend, supersede, or otherwise affect the utility agreement, which remains in full force and effect.
2. The Agreement, pursuant to Section 58-109 of the Code of the City of North Port, Florida, provides for the rights and obligations for the City's expenditure of impact fees in several designated areas, including fire/rescue, law enforcement, parks, and general government.
3. The City Commission having considered the factors required by Section 58-109 of the Code of the City of North Port, Florida, has determined that the System Improvements referenced in this Agreement qualify for impact fee expenditures and Developer reimbursement.
4. The District desires to provide the City with turn-key System Improvements as described in this Agreement for the delivery of needed City public services and that the Developer desires to provide the City land related to these System Improvements; that the City desires to own and operate the improvements and to provide the District a limited reimbursement from impact fees of the cost for certain improvements at the time of transfer of the improvements to the City; that the Agreement provides for a proportionate fair share of the costs of the needed System Improvements resulting from the development.

During the current fiscal year the City provided \$217,129 for certain park improvements.

NOTE 12 – CITY OF NORTH PORT AGREEMENTS (Continued)

Transportation Impact Fee Reimbursement Agreement

On April 14, 2021, the District entered into a Transportation Impact Fee Reimbursement Agreement with Wellen Park, LLLP (“Developer”) and the City of North Port. The agreement states that the cost of the roads is expected to exceed \$125,000,000. As of the date of the agreement the Developer and District have incurred a total of \$47,681,364 in costs associated with the design, permitting and construction of completed portions of the roads within Wellen Park in addition to \$27,430,437 in costs associated with other portions of the roads which have been designed are under construction but not yet completed. The agreement states the Developer shall design, permit and construct the roads necessary in Wellen Park. The City will reimburse the District in an amount not to exceed \$90,000,000 for road costs. The source of the City’s reimbursement payments shall be the transportation impact fees collected by the City from development occurring within Wellen Park.

During the current fiscal year the City provided \$1,098,618 to the District in relation to this agreement.

NOTE 13 –LITIGATION AND CLAIMS

The Gran Paradiso Property Owners Association, Inc. (the “GPHOA”) filed a lawsuit against the District on November 19, 2023. The GPHOA alleges, in relevant part, that i) the District should be enjoined from suspending or discontinuing irrigation services to the GPHOA for its failure to timely pay for irrigation service rendered to it by the District; ii) the District and the GPHOA (when controlled by Lennar Homes, LLC) wrongfully executed various irrigation supply agreements between the parties be rescinded/nullified; and iii) the District improperly noticed a public hearing required to be held in advance of its adoption of Resolution 2018-18 and accordingly such resolution is void ab initio. The case has been assigned Case No. 2022-CA- 005368-SC. The claim was turned over to the District’s insurance carrier and defense is currently being handled jointly by Kutak Rock LLP and Roper & Roper, P.A. At this time Kutak Rock cannot express a judgment as to the likelihood of an unfavorable outcome, nor can they estimate the amount of potential loss.

NOTE 14 – SUBSEQUENT EVENTS

Bond Issuance

Subsequent to fiscal year end, the District issued \$17,000,000 of Series 2022 Bonds, consisting of multiple term bonds with due dates ranging from May 1, 2029 – May 1, 2053 with a fixed interest rates of 4.625% to 5.5%. The Bonds were issued to finance the acquisition and construction of certain improvements for the benefit of the District. The District also issued \$17,130,000 of Series 2023 Bonds, consisting of multiple term bonds with due dates ranging from May 1, 2030 – May 1, 2053 and fixed interest rates ranging from 4.625% to 5.625%. The Bonds were issued to finance the acquisition and construction of certain improvements for the benefit of the District.

**WEST VILLAGES IMPROVEMENT DISTRICT
CITY OF NORTH PORT, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL – GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Assessments	\$ 2,053,382	\$ 1,710,673	\$ 2,320,192	\$ 609,519
Developer contribution	-	1,419,985	1,419,985	-
Contributions other governments	-	1,639,588	1,315,747	(323,841)
Miscellaneous	-	-	243,441	243,441
Interest income	1,000	877	878	1
Total revenues	<u>2,054,382</u>	<u>4,771,123</u>	<u>5,300,243</u>	<u>529,120</u>
EXPENDITURES				
Current:				
General government	777,196	1,101,628	1,481,965	(380,337)
Maintenance and operations	1,825,100	1,886,777	1,493,655	393,122
Debt service:				
Principal	-	-	569,378	(569,378)
Capital outlay	40,000	1,306,319	874,496	431,823
Total expenditures	<u>2,642,296</u>	<u>4,294,724</u>	<u>4,419,494</u>	<u>(124,770)</u>
Excess (deficiency) of revenues over (under) expenditures	(587,914)	476,399	880,749	404,350
OTHER FINANCING SOURCES (USES)				
Developer advances	-	-	150,680	150,680
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>150,680</u>	<u>150,680</u>
Net change in fund balance	<u>\$ (587,914)</u>	<u>\$ 476,399</u>	<u>1,031,429</u>	<u>\$ 555,030</u>
Fund balance - beginning			<u>8,142,220</u>	
Fund balance - ending			<u>\$ 9,173,649</u>	

See notes to required supplementary information

**WEST VILLAGES IMPROVEMENT DISTRICT
CITY OF NORTH PORT, FLORIDA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

The District is required to establish a budgetary system and an approved Annual Budget for the General Fund. The District's budgeting process is based on estimates of cash receipts and cash expenditures which are approved by the Board. The budget approximates a basis consistent with accounting principles generally accepted in the United States of America (generally accepted accounting principles).

The legal level of budgetary control, the level at which expenditures may not exceed budget is in the aggregate. Any budget amendments that increase the aggregate budgeted appropriations must be approved by the Board of Supervisors. The fiscal year 2022 general fund budget was amended to increase revenues by \$2,716,741 and increase appropriations by \$1,652,428.

**WEST VILLAGES IMPROVEMENT DISTRICT
CITY OF NORTH PORT, FLORIDA
OTHER INFORMATION – DATA ELEMENTS
REQUIRED BY FL STATUTE 218.39(3)(C)
UNAUDITED**

<u>Element</u>	<u>Comments</u>
Number of district employees compensated at 9/30/2022	0
Number of independent contractors compensated in September 2022	8
Employee compensation for FYE 9/30/2022 (paid/accrued)	Not applicable
Independent contractor compensation for FYE 9/30/2022	\$554,634
Construction projects to begin on or after October 1; (>\$65K)	Not applicable
Budget variance report	See Variance Report in report for details
Ad Valorem taxes;	Not applicable
Non ad valorem special assessments;	
Special assessment rate FYE 9/30/2022	Ranges From \$252.76 To \$2,441.69 Per Unit
Special assessments collected FYE 9/30/2022	\$7,102,377
Outstanding Bonds:	
Series 2016 (Unit 4), due November 1, 2046	\$11,870,000 - See Long Term Liabilities Note in report for details
Series 2017 (Unit 1), due May 1, 2038	\$27,000,000 - See Long Term Liabilities Note in report for details
Series 2017 (Unit 3), due May 1, 2037	\$13,395,000- See Long Term Liabilities Note in report for details
Series 2017 (Unit 5 Bonds), due February 1, 2038	\$11,610,000- See Long Term Liabilities Note in report for details
Series 2017 (Unit 5 Notes), due December 1, 2033	\$21,962,276 - See Long Term Liabilities Note in report for details
Series 2019A-1 (Unit 2), due May 1, 2036.	\$13,420,000 - See Long Term Liabilities Note in report for details
Series 2019A-2 (Unit 2), due May 1, 2036.	\$12,830,000- See Long Term Liabilities Note in report for details
Series 2019 (Unit 7 Master), due May 1, 2050	\$30,030,000 - See Long Term Liabilities Note in report for details
Series 2019 (Unit 7 Village B), due May 1, 2050	\$1,280,000 - See Long Term Liabilities Note in report for details
Series 2021 (Unit 7), due May 1, 2051	\$7,815,000 - See Long Term Liabilities Note in report for details
Series 2021 (Unit 8), due May 1, 2051	\$12,740,000 - See Long Term Liabilities Note in report for details



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Supervisors
West Villages Improvement District
City of North Port, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities and each major fund of West Villages Improvement District, City of North Port, Florida ("District") as of and for the fiscal year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our opinion thereon dated August 22, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the District in a separate letter August 22, 2023.

The District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the findings identified in our audit and described in the accompanying Management Letter. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

B *Law & Associates*

August 22, 2023



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED
BY CHAPTER 10.550 RULES OF THE AUDITOR GENERAL**

To the Board of Commissioners
West Villages Improvement District
City of North Port, Florida

Report on Compliance for Each Major State Program

We have audited West Villages Improvement District, North Port, Florida (the "District") compliance with the types of compliance requirements described in the *Department of Financial Services' State Projects Compliance Supplement* that could have a direct and material effect on the District's major state project for the fiscal year ended September 30, 2022. The District's major state project is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with state statutes, laws, regulations, and the terms and conditions of its state awards applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the District's major state project based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; and Chapter 10.550, Rules of the Auditor General. Those standards and Chapter 10.550 Rules of the Auditor General, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state project occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major state project. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major State Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the fiscal year ended September 30, 2022.

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major state project and to test and report on internal control over compliance in accordance with Chapter 10.550, Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Chapter 10.550, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.

B. Law & Associates

August 22, 2023

**WEST VILLAGES IMPROVEMENT DISTRICT
CITY OF NORTH PORT, FLORIDA
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

State Agency State Project	CSFA Number	Expenditures
STATE FINANCIAL ASSISTANCE		
Department of Economic Opportunity		
Economic Development Partnerships	40.040	\$ 999,996
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE		<u>\$ 999,996</u>

See accompanying notes to schedule of expenditures of state financial assistance.

**WEST VILLAGES IMPROVEMENT DISTRICT
CITY OF NORTH PORT, FLORIDA
NOTES TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

NOTE A – BASIS OF PRESENTATION

The accompanying schedule of expenditures state financial assistance includes the state grant activity of West Villages Improvement District, City of North Port, Florida (the "District") under the state project for the fiscal year ended September 30, 2022. The information in this schedule is presented in accordance with the requirements of Chapter 10.550, Rules of the Auditor General. Because the schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position or changes in net position of the District.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the accrual basis of accounting.

**WEST VILLAGES IMPROVEMENT DISTRICT
CITY OF NORTH PORT, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS-
STATE PROJECTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

A. SUMMARY OF AUDITOR’S RESULTS

1. The auditor’s report expresses an unmodified opinion on the financial statements of West Villages Improvement District, North Port, Florida (the “District”).
2. No significant deficiencies or material weaknesses relating to the audit of the financial statements are reported in the independent auditor’s report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of the District were disclosed during the audit, except as noted in the Management Letter.
4. No significant deficiencies relating to the audit of the major state project are reported in the independent auditor’s report on compliance for each major State project and on internal control over compliance required by Chapter 10.550, rules of the Auditor General.
5. The independent auditor’s report on compliance with requirements that could have a direct and material effect on the state project for the District expresses an unmodified opinion.
6. There were no audit findings relative to the major state award tested for the District.
7. The programs tested as a major program:

<u>State Project</u>	<u>CSFA #</u>
Economic Development Partnerships	40.040
8. The dollar threshold used to distinguish between Type A or Type B for major state projects was \$300,000.

B. FINDINGS – FINANCIAL STATEMENT AUDIT

See Report to Management

C. FINDINGS AND QUESTIONED COSTS- STATE PROJECTS

None

D. OTHER ISSUES

1. No corrective action plan is required because there were no findings required to be reported under the Florida Single Audit Act.

E. PRIOR YEAR FINDINGS- MAJOR STATE PROJECTS

None



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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE
REQUIREMENTS OF SECTION 218.415, FLORIDA STATUTES, REQUIRED BY
RULE 10.556(10) OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA**

To the Board of Supervisors
West Villages Improvement District
City of North Port, Florida

We have examined West Villages Improvement District, City of North Port, Florida's ("District") compliance with the requirements of Section 218.415, Florida Statutes, in accordance with Rule 10.556(10) of the Auditor General of the State of Florida during the fiscal year ended September 30, 2022. Management is responsible for District's compliance with those requirements. Our responsibility is to express an opinion on District's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the District complied, in all material respects, with the specified requirements referenced in Section 218.415, Florida Statutes. An examination involves performing procedures to obtain evidence about whether the District complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. Our examination does not provide a legal determination on the District's compliance with specified requirements.

In our opinion, the District complied, in all material respects, with the aforementioned requirements for the fiscal year ended September 30, 2022.

This report is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, management, and the Board of Supervisors of West Villages Improvement District, City of North Port, Florida and is not intended to be and should not be used by anyone other than these specified parties.

Grau & Associates

August 22, 2023



**MANAGEMENT LETTER PURSUANT TO THE RULES OF
THE AUDITOR GENERAL FOR THE STATE OF FLORIDA**

To the Board of Supervisors
West Villages Improvement District
City of North Port, Florida

Report on the Financial Statements

We have audited the accompanying basic financial statements of West Villages Improvement District ("District") as of and for the fiscal year ended September 30, 2022, and have issued our report thereon dated August 22, 2023.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Florida Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards; and Independent Auditor's Report on an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated September 30, 2022, should be considered in conjunction with this management letter.

Purpose of this Letter

The purpose of this letter is to comment on those matters required by Chapter 10.550 of the Rules of the Auditor General for the State of Florida. Accordingly, in connection with our audit of the financial statements of the District, as described in the first paragraph, we report the following:

- I. Current year findings and recommendations.
- II. Status of prior year findings and recommendations.
- III. Compliance with the Provisions of the Auditor General of the State of Florida.

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, as applicable, management, and the Board of Supervisors of West Villages Improvement District, City of North Port, Florida and is not intended to be and should not be used by anyone other than these specified parties.

We wish to thank West Villages Improvement District, City of North Port, Florida and the personnel associated with it, for the opportunity to be of service to them in this endeavor as well as future engagements and the courtesies extended to us.

Grau & Associates

August 22, 2023

REPORT TO MANAGEMENT

I. CURRENT YEAR FINDINGS AND RECOMMENDATIONS

2022-01 Financial Condition Assessment:

Observation: The District had delinquent assessments due from a Major Landowner as of September 30, 2022. Consequently, the District did not make certain scheduled debt service payments in the current fiscal year. The District's failures to make its scheduled debt service payments when they are due are considered events of default.

Recommendation: The District should take the necessary steps to alleviate the financial condition.

Management Response: In the current and prior fiscal years, a large property owner did not pay their property taxes (which included assessments for the District). In October 2019 the Unit 2 Series 2005 bond was bifurcated. The primary purpose of the Bifurcation was to divide the security for the trust estate of the Series 2005 Bonds into two separate and distinct trust estates secured by two separate and distinct sources of collateral. The WVID is working with, providing information and working on solutions to its Series 2005/2019 (Unit 2) bondholders and potential developers in regard to the delinquent property.

II. PRIOR YEAR FINDINGS AND RECOMMENDATIONS

2012-02, 2013-02, 2014-02, 2015-02, 2016-02, 2017-02, 2018-02, 2019-02, 2020-02, 2021-01 Financial Condition Assessment: Matter is repeated again in the current fiscal year – see finding no. 2022-01 above.

2021-02 Tracking developer advances: Matter has been resolved.

III. COMPLIANCE WITH THE PROVISIONS OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

Unless otherwise required to be reported in the auditor's report on compliance and internal controls, the management letter shall include, but not be limited to the following:

1. A statement as to whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report.

There were no significant findings and recommendations made in the preceding annual financial audit report for the fiscal year ended September 30, 2021, except as noted above.

REPORT TO MANAGEMENT (Continued)

III. COMPLIANCE WITH THE PROVISIONS OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA (Continued)

2. Any recommendations to improve the local governmental entity's financial management.

There were no such matters discovered by, or that came to the attention of, the auditor, to be reported for the fiscal year ended September 30, 2022, except as noted above.

3. Noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance.

There were no such matters discovered by, or that came to the attention of, the auditor, to be reported, for the fiscal year ended September 30, 2022, except as noted above.

4. The name or official title and legal authority of the District are disclosed in the notes to the financial statements.

5. In connection with our audit, we determined that the District has met one or more of the financial emergency conditions described in Section 218.503(1), Florida Statutes. The District failed to make certain debt service payments on the Bonds. We applied financial condition assessment procedures pursuant to Rule 10.556(7). See Findings section above for additional information. It is management's responsibility to monitor financial condition, and our financial condition assessment was based in part on representations made by management and the review of the financial information provided by same.

6. Management has provided the specific information required by Section 218.39(3)(c) in the Other Information section of the financial statements on page 36.

**WEST VILLAGES IMPROVEMENT DISTRICT
CITY OF NORTH PORT, FLORIDA
FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2023**

**WEST VILLAGES IMPROVEMENT DISTRICT
CITY OF NORTH PORT, FLORIDA**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Supervisors
West Villages Improvement District
City of North Port, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of West Villages Improvement District, City of North Port, Florida (the "District") as of and for the fiscal year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the District as of September 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

The District's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The schedule of expenditures of state financial assistance projects, as required by Chapter 10.550, Rules of the Auditor General of the State of Florida, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of state financial assistance projects is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of state financial assistance projects is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information Included in the Financial Report

Management is responsible for the other information included in the financial report. The other information comprises the information for compliance with FL Statute 218.39 (3) (c), but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated August 14, 2024, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control over financial reporting and compliance.



August 14, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of West Villages Improvement District, City of North Port, Florida ("District") provides a narrative overview of the District's financial activities for the fiscal year ended September 30, 2023. Please read it in conjunction with the District's Independent Auditor's Report, basic financial statements, accompanying notes and supplementary information to the basic financial statements.

FINANCIAL HIGHLIGHTS

- The assets of the District exceeded its liabilities at the close of the most recent fiscal year resulting in a net position balance of \$28,119,190.
- The change in the District's total net position in comparison with the prior fiscal year was \$1,407,336 an increase. The key components of the District's net position and change in net position are reflected in the table in the government-wide financial analysis section.
- At September 30, 2023, the District's governmental funds reported combined ending fund balances of \$31,691,944, an increase of 10,020,857 in comparison with the prior fiscal year. A portion of the total fund balance is restricted for debt service, capital projects, assigned to road resurfacing and subsequent year's expenditures, and the remainder mostly unassigned general fund balance.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as the introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources with the residual amount being reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the District that are principally supported by assessments (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the District include general government and maintenance operations. The business-type activities of the District include irrigation services.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and proprietary funds.

OVERVIEW OF FINANCIAL STATEMENTS (Continued)

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflow of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains seventeen individual governmental funds for external reporting. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, Unit 1, Unit 2 Series 2019, Unit 3, Unit 4, Unit 5, Unit 7, Unit 7 & 8, Unit 8, and Unit 9 debt service funds and Unit 1, Unit 3, Unit 5, Unit 7, Unit 7 & 8, Unit 8, and Unit 9 capital projects funds, all of which are considered to be major funds.

The District adopts an annual appropriated budget for its general fund. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with the budget.

Proprietary Fund

The District maintains one type of proprietary fund, an enterprise fund. An enterprise fund is used to report the same function presented as business-type activities in the government-wide financial statements. The District uses an enterprise fund to account for the operations of the irrigation services within the District, which are included in Unit 6 of the District.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of an entity's financial position. In the case of the District, assets exceeded liabilities at the close of the most recent fiscal year.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Key components of the District's net position are reflected in the following table:

	NET POSITION					
	SEPTEMBER 30,					
	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 38,443,474	\$ 29,472,218	\$ 944,335	\$ 780,080	\$ 39,387,809	\$ 30,252,298
Capital assets, net	191,787,396	176,622,168	3,401,075	2,722,886	195,188,471	179,345,054
Total assets	230,230,870	206,094,386	4,345,410	3,502,966	234,576,280	209,597,352
Current liabilities	10,293,280	10,573,028	4,423,278	3,538,254	14,716,558	14,111,282
Long-term liabilities	191,740,532	168,774,216	-	-	191,740,532	168,774,216
Total liabilities	202,033,812	179,347,244	4,423,278	3,538,254	206,457,090	182,885,498
Net position						
Net investment in capital assets	(1,928,136)	6,417,952	(881,724)	(293,544)	(2,809,860)	6,124,408
Restricted	24,275,551	12,245,838	-	-	24,275,551	12,245,838
Unrestricted	5,849,643	8,083,352	803,856	258,256	6,653,499	8,341,608
Total net position	\$ 28,197,058	\$ 26,747,142	\$ (77,868)	\$ (35,288)	\$ 28,119,190	\$ 26,711,854

The District's net position reflects its investment in capital assets (e.g. land, land improvements, and infrastructure); less any related debt used to acquire those assets that is still outstanding. These assets are used to provide services to residents; consequently, these assets are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The restricted portion of the District's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position may be used to meet the District's other obligations.

The District's net position increased during the most recent fiscal year. The majority of the increase is the results from the receipt of Developer contributions and intergovernmental revenues.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Key elements of the change in net position are reflected in the following table:

	CHANGES IN NET POSITION					
	FOR THE FISCAL YEAR ENDED SEPTEMBER 30,					
	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues						
Charges for services	\$ 12,589,434	\$ 11,090,459	\$ 922,774	\$ 644,473	\$ 13,512,208	\$ 11,734,932
Operating grants and contributions	6,175,582	5,248,359	-	214,990	6,175,582	5,463,349
Capital grants and contributions	646,731	2,395,412	-	-	646,731	2,395,412
General revenues						
Unrestricted investment earnings	306,605	878	6,600	24	313,205	902
Miscellaneous	724,995	399,323	4,221	-	729,216	399,323
Total revenues	20,443,347	19,134,431	933,595	859,487	21,376,942	19,993,918
Expenses:						
General government	3,420,278	1,481,965	-	-	3,420,278	1,481,965
Maintenance and operations	5,913,515	3,211,874	-	-	5,913,515	3,211,874
Interest	8,766,488	7,881,382	-	-	8,766,488	7,881,382
Bond issue costs	893,150	-	-	-	893,150	-
Irrigation services	-	-	976,175	995,887	976,175	995,887
Total expenses	18,993,431	12,575,221	976,175	995,887	19,969,606	13,571,108
Change in net position	1,449,916	6,559,210	(42,580)	(136,400)	1,407,336	6,422,810
Net position - beginning	26,747,142	20,187,932	(35,288)	101,112	26,711,854	20,289,044
Net position - ending	\$ 28,197,058	\$ 26,747,142	\$ (77,868)	\$ (35,288)	\$ 28,119,190	\$ 26,711,854

Governmental activities

As noted above and in the statement of activities, the cost of all governmental activities during the fiscal year ended September 30, 2023 was \$18,993,431. The costs of the District's activities were partially paid by program revenues and general revenues. Program revenues were comprised primarily of assessments, Developer contributions, and other contributions for both the current year and prior year. The majority of the increase in expenses was the result of an increase in professional services and maintenance and repairs.

Business-type activities

Business-type activities reflect the operations of the irrigation system within the District. The cost of operations is covered partially by charges to customers. Revenues decrease as a result of a decrease in developer contributions.

GENERAL BUDGETING HIGHLIGHTS

An operating budget was adopted and maintained by the governing board for the District pursuant to the requirements of Florida Statutes. The budget is adopted using the same basis of accounting that is used in preparation of the fund financial statements. The legal level of budgetary control, the level at which expenditures may not exceed budget is in the aggregate. Any budget amendments that increase the aggregate budgeted appropriations must be approved by the Board of Supervisors. The fiscal year 2023 general fund budget was amended to increase revenues by \$2,517,776 and increase appropriations by \$4,189,835. Actual general fund expenditures did not exceed appropriations for the fiscal year ended September 30, 2023.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At September 30, 2023, the District had \$209,486,124 invested in capital assets for its governmental activities. In the government-wide financial statements depreciation of \$17,698,728 has been taken, which resulted in a net book value of \$191,787,396. The District's business-type activities reported net capital assets of \$3,401,075. More detailed information about the District's capital assets is presented in the notes of the financial statements.

Capital Debt

At September 30, 2023, the District had \$191,720,708 in Bonds and Notes outstanding and \$6,211,519 in Developer advances for its governmental activities. More detailed information about the District's capital debt is presented in the notes of the financial statements.

ECONOMIC FACTORS AND OTHER EVENTS

Subsequent to fiscal year end, the District has continued its capital projects which include development of infrastructure improvements for residential and commercial areas, the construction of a wastewater treatment facility which will be conveyed to other entities for ownership and maintenance upon completion.

Subsequent to fiscal year end, the District issued \$4,805,000 of Series 2023 Bonds, consisting of multiple term bonds with due dates ranging from May 1, 2030 to May 1, 2054 with a fixed interest rates of 5.350% to 6.320%. The District also issued \$19,280,000 of Series 2024 Bonds (Assessment Area One), consisting of multiple term bonds with due dates ranging from May 1, 2031 to May 1, 2054 and fixed interest rates ranging from 4.500% to 5.700%. The Bonds were issued to finance the acquisition and construction of certain improvements for the benefit of the District.

CONTACTING THE DISTRICT'S FINANCIAL MANAGMENT

This financial report is designed to provide our citizens, land owners, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the financial resources it manages and the stewardship of the facilities it maintains. If you have questions about this report or need additional financial information, contact the West Villages Improvement District's management services at Special District Services, Inc., 2501A Burns Road, Palm Beach Gardens, Florida 33410.

**WEST VILLAGES IMPROVEMENT DISTRICT
CITY OF NORTH PORT, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2023**

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash	\$ 8,506,626	\$ 504,547	\$ 9,011,173
Due from Developers	122,372	439,788	562,160
Other assets	2,325	-	2,325
Restricted assets:			
Investments	29,812,151	-	29,812,151
Capital assets:			
Nondepreciable	167,081,050	2,214,638	169,295,688
Depreciable, net	24,706,346	1,186,437	25,892,783
Total assets	<u>230,230,870</u>	<u>4,345,410</u>	<u>234,576,280</u>
LIABILITIES			
Accounts payable	732,264	140,479	872,743
Contracts and retainage payable	1,338,209	-	1,338,209
Accrued interest payable	3,621,238	-	3,621,238
Escrow deposits	13,793	-	13,793
Due to Bondholders:			
Principal	1,975,000	-	1,975,000
Interest	2,612,776	-	2,612,776
Non-current liabilities:			
Due within one year*	7,019,370	-	7,019,370
Due in more than one year	182,567,610	-	182,567,610
Developer advances	2,153,552	4,282,799	6,436,351
Total liabilities	<u>202,033,812</u>	<u>4,423,278</u>	<u>206,457,090</u>
NET POSITION			
Net investment in capital assets	(1,928,136)	(881,724)	(2,809,860)
Restricted for capital projects	14,614,295	-	14,614,295
Restricted for debt service	9,661,256	-	9,661,256
Unrestricted	5,849,643	803,856	6,653,499
Total net position	<u>\$ 28,197,058</u>	<u>\$ (77,868)</u>	<u>\$ 28,119,190</u>

* The missed debt service payment due for the Series 2019 Bonds are reflected in the due to Bondholders account balance.

See notes to the financial statements

**WEST VILLAGES IMPROVEMENT DISTRICT
CITY OF NORTH PORT, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		Total
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
Primary government:							
Governmental activities:							
General government	\$ 3,420,278	\$ 3,188,011	\$ -	\$ -	\$ (232,267)	\$ -	\$ (232,267)
Maintenance and operations	5,913,515	-	1,987,436	646,731	(3,279,348)	-	(3,279,348)
Interest on long-term debt	8,766,488	9,401,423	4,188,146	-	4,823,081	-	4,823,081
Bond issue costs	893,150	-	-	-	(893,150)	-	(893,150)
Total governmental activities	18,993,431	12,589,434	6,175,582	646,731	418,316	-	418,316
Business-type activities:							
Irrigation services	976,175	922,774	-	-	-	(53,401)	(53,401)
Total business-type activities	976,175	922,774	-	-	-	(53,401)	(53,401)
General revenues:							
Unrestricted investment earnings					306,605	6,600	313,205
Miscellaneous					724,995	4,221	729,216
Total general revenues					1,031,600	10,821	1,042,421
Change in net position					1,449,916	(42,580)	1,407,336
Net position - beginning					26,747,142	(35,288)	26,711,854
Net position - ending					\$ 28,197,058	\$ (77,868)	\$ 28,119,190

See notes to the financial statements

**WEST VILLAGES IMPROVEMENT DISTRICT
CITY OF NORTH PORT, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023**

	Major Funds									
	Debt Service									
	General	Unit 1 Series 2007 & 2017	Unit 2 Series 2019	Unit 3 Series 2006 & 2017	Unit 4 Series 2016	Unit 5 Series 2017	Unit 7 Series 2019	Unit 7 & 8 Series 2021	Unit 8 Series 2022	Unit 9 Series 2023
ASSETS										
Cash	\$ 8,506,626	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	1,011,840	577,153	446,790	1,164,811	5,922,115	2,351,180	605,171	1,065,491	715,096
Due from Developers	122,372	-	-	-	-	-	-	-	-	-
Other assets	2,325	-	-	-	-	-	-	-	-	-
Total assets	<u>\$ 8,631,323</u>	<u>\$ 1,011,840</u>	<u>\$ 577,153</u>	<u>\$ 446,790</u>	<u>\$ 1,164,811</u>	<u>\$ 5,922,115</u>	<u>\$ 2,351,180</u>	<u>\$ 605,171</u>	<u>\$ 1,065,491</u>	<u>\$ 715,096</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES										
Liabilities:										
Accounts payable	\$ 732,264	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contracts and retainage payable	-	-	-	-	-	-	-	-	-	-
Escrow deposits	13,793	-	-	-	-	-	-	-	-	-
Due to Bondholders:										
Principal	-	-	1,975,000	-	-	-	-	-	-	-
Interest	-	-	2,612,776	-	-	-	-	-	-	-
Total liabilities	<u>746,057</u>	<u>-</u>	<u>4,587,776</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflow s of resources:										
Unavailable revenue	79,488	-	-	-	-	-	-	-	-	-
Total deferred inflow s of resources	<u>79,488</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:										
Restricted for:										
Debt service	-	1,011,840	-	446,790	1,164,811	5,922,115	2,351,180	605,171	1,065,491	715,096
Capital projects	-	-	-	-	-	-	-	-	-	-
Assigned to:										
Road resurfacing	1,262,214	-	-	-	-	-	-	-	-	-
Subsequent year expenditures	18,205	-	-	-	-	-	-	-	-	-
Unassigned	6,525,359	-	(4,010,623)	-	-	-	-	-	-	-
Total fund balances	<u>7,805,778</u>	<u>1,011,840</u>	<u>(4,010,623)</u>	<u>446,790</u>	<u>1,164,811</u>	<u>5,922,115</u>	<u>2,351,180</u>	<u>605,171</u>	<u>1,065,491</u>	<u>715,096</u>
Total liabilities, deferred inflow s of resources and fund balances	<u>\$ 8,631,323</u>	<u>\$ 1,011,840</u>	<u>\$ 577,153</u>	<u>\$ 446,790</u>	<u>\$ 1,164,811</u>	<u>\$ 5,922,115</u>	<u>\$ 2,351,180</u>	<u>\$ 605,171</u>	<u>\$ 1,065,491</u>	<u>\$ 715,096</u>

(Continued)

See notes to the financial statements

**WEST VILLAGES IMPROVEMENT DISTRICT
CITY OF NORTH PORT, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023
(Continued)**

	Major Funds							Total Governmental Funds
	Capital Projects							
	Unit 1 Series 2007 & 2017	Unit 3 Series 2006 & 2017	Unit 5 Series 2017	Unit 7 Series 2019	Unit 7 & 8 Series 2021	Unit 8 Series 2022	Unit 9 Series 2023	
ASSETS								
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,506,626
Investments	410	38,269	-	177	3,915,847	11,936,997	60,804	29,812,151
Due from Developers	-	-	-	-	-	-	-	122,372
Other assets	-	-	-	-	-	-	-	2,325
Total assets	<u>\$ 410</u>	<u>\$ 38,269</u>	<u>\$ -</u>	<u>\$ 177</u>	<u>\$ 3,915,847</u>	<u>\$ 11,936,997</u>	<u>\$ 60,804</u>	<u>\$ 38,443,474</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 732,264
Contracts and retainage payable	-	-	-	-	-	1,338,209	-	1,338,209
Escrow deposits	-	-	-	-	-	-	-	13,793
Due to Bondholders:								
Principal	-	-	-	-	-	-	-	1,975,000
Interest	-	-	-	-	-	-	-	2,612,776
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,338,209</u>	<u>-</u>	<u>6,672,042</u>
Deferred inflow s of resources:								
Unavailable revenue	-	-	-	-	-	-	-	79,488
Total deferred inflow s of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>79,488</u>
Fund balances:								
Restricted for:								
Debt service	-	-	-	-	-	-	-	13,282,494
Capital projects	410	38,269	-	177	3,915,847	10,598,788	60,804	14,614,295
Assigned to:								
Road resurfacing	-	-	-	-	-	-	-	1,262,214
Subsequent year expenditures	-	-	-	-	-	-	-	18,205
Unassigned	-	-	-	-	-	-	-	2,514,736
Total fund balances	<u>410</u>	<u>38,269</u>	<u>-</u>	<u>177</u>	<u>3,915,847</u>	<u>10,598,788</u>	<u>60,804</u>	<u>31,691,944</u>
Total liabilities, deferred inflow s of resources and fund balances	<u>\$ 410</u>	<u>\$ 38,269</u>	<u>\$ -</u>	<u>\$ 177</u>	<u>\$ 3,915,847</u>	<u>\$ 11,936,997</u>	<u>\$ 60,804</u>	<u>\$ 38,443,474</u>

See notes to the financial statements

**WEST VILLAGES IMPROVEMENT DISTRICT
CITY OF NORTH PORT, FLORIDA
RECONCILIATION OF BALANCE SHEET – GOVERNMENTAL FUNDS
TO STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023**

Fund balance - governmental funds \$ 31,691,944

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds. The statement of net position includes those capital assets, net of accumulated depreciation, in the net position of the government as a whole.

Cost of capital assets	209,486,124	
Accumulated depreciation	<u>(17,698,728)</u>	191,787,396

Assets that are not available to pay for current-period expenditures are unavailable in the fund statements.		79,488
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Liabilities not due and payable from current available resources are not reported as liabilities in the governmental fund financial statements. All liabilities, both current and long-term, are reported in the government-wide financial statements.

Accrued interest payable	(3,621,238)	
Bonds payable *	(189,586,980)	
Developer advances	<u>(2,153,552)</u>	<u>(195,361,770)</u>
Net position of governmental activities		<u>\$ 28,197,058</u>

* The missed debt service payment due for the Series 2019 Bonds are reflected in the due to Bondholders account balance.

See notes to the financial statements

**WEST VILLAGES IMPROVEMENT DISTRICT
CITY OF NORTH PORT, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

	Major Funds									
	Debt Service									
	General	Unit 1 Series 2007 & 2017	Unit 2 Series 2019	Unit 3 Series 2006 & 2017	Unit 4 Series 2016	Unit 5 Series 2017	Unit 7 Series 2019	Unit 7 & 8 Series 2021	Unit 8 Series 2022	Unit 9 Series 2023
REVENUES										
Assessments	\$ 3,188,011	2,249,859	1,938,422	1,279,887	\$ 822,698	\$ -	1,966,408	1,141,763	\$ -	\$ 2,386
Developers contributions	207,024	-	-	-	-	-	-	-	-	117,730
Contributions - Atlanta Braves	114,783	-	-	-	-	2,588,596	-	-	-	-
Developers contributions - capital	1,059	-	-	-	-	-	-	-	-	-
Contributions other governments	1,664,570	-	-	-	-	999,996	-	-	-	-
Miscellaneous	801,389	-	-	-	-	-	-	-	-	-
Interest income	306,605	41,432	29,200	17,806	32,984	222,824	74,102	20,391	32,682	10,403
Total revenues	6,283,441	2,291,291	1,967,622	1,297,693	855,682	3,811,416	2,040,510	1,162,154	32,682	130,519
EXPENDITURES										
Current:										
General government	3,420,278	-	-	-	-	-	-	-	-	-
Maintenance and operations	1,787,036	-	-	-	-	-	-	-	-	-
Debt service:										
Principal	36,107	1,200,000	1,785,000	670,000	260,000	1,991,568	565,000	435,000	-	-
Interest	-	1,197,994	1,517,066	617,348	567,200	1,591,038	1,505,463	739,932	329,821	-
Bond issue costs	-	-	-	-	-	-	-	-	-	-
Capital outlay	2,407,891	-	-	-	-	-	-	-	-	-
Total expenditures	7,651,312	2,397,994	3,302,066	1,287,348	827,200	3,582,606	2,070,463	1,174,932.00	329,821.00	-
Excess (deficiency) of revenues over (under) expenditures	(1,367,871)	(106,703)	(1,334,444)	10,345	28,482	228,810	(29,953)	(12,778)	(297,139)	130,519
OTHER FINANCING SOURCES (USES)										
Bond proceeds	-	-	-	-	-	-	-	-	1,362,630	584,577
Bond premium/(discount)	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	1,362,630	584,577
Net change in fund balances	(1,367,871)	(106,703)	(1,334,444)	10,345	28,482	228,810	(29,953)	(12,778)	1,065,491	715,096
Fund balances - beginning	9,173,649	1,118,543	(2,676,179)	436,445	1,136,329	5,693,305	2,381,133	617,949	-	-
Fund balances - ending	\$ 7,805,778	\$ 1,011,840	\$ (4,010,623)	\$ 446,790	\$ 1,164,811	\$ 5,922,115	\$ 2,351,180	\$ 605,171	\$ 1,065,491	\$ 715,096

(Continued)

See notes to the financial statements

**WEST VILLAGES IMPROVEMENT DISTRICT
CITY OF NORTH PORT, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023
(Continued)**

	Major Funds							Total Governmental Funds
	Capital Projects							
	Unit 1 Series 2007 & 2017	Unit 3 Series 2006 & 2017	Unit 5 Series 2017	Unit 7 Series 2019	Unit 7 & 8 Series 2021	Unit 8 Series 2022	Unit 9 Series 2023	
REVENUES								
Assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,589,434
Developers contributions	-	-	-	-	-	-	-	324,754
Contributions - Atlanta Braves	-	-	-	-	-	-	-	2,703,379
Developers contributions - capital	-	-	-	-	-	-	-	1,059
Contributions other governments	-	-	-	-	-	-	-	2,664,566
Miscellaneous	-	-	-	-	-	-	-	801,389
Interest income	13	1,165	-	6,171	163,926	414,652	60,804	1,435,160
Total revenues	13	1,165	-	6,171	163,926	414,652	60,804	20,519,741
EXPENDITURES								
Current:								
General government	-	-	-	-	-	-	-	3,420,278
Maintenance and operations	-	-	-	-	-	-	-	1,787,036
Debt service:								
Principal	-	-	-	-	-	-	4,057,967	11,000,642
Interest	-	-	-	-	-	-	-	8,065,862
Bond issue costs	-	-	-	-	-	420,725	472,425	893,150
Capital outlay	-	-	319	6,166	-	4,918,964	11,958,367	19,291,707
Total expenditures	-	-	319	6,166	-	5,339,689	16,488,759	44,458,675
Excess (deficiency) of revenues over (under) expenditures	13	1,165	(319)	5	163,926	(4,925,037)	(16,427,955)	(23,938,934)
OTHER FINANCING SOURCES (USES)								
Bond proceeds	-	-	-	-	-	15,637,370	16,545,423	34,130,000
Bond premium/(discount)	-	-	-	-	-	(113,545)	(56,664)	(170,209)
Total other financing sources (uses)	-	-	-	-	-	15,523,825	16,488,759	33,959,791
Net change in fund balances	13	1,165	(319)	5	163,926	10,598,788	60,804	10,020,857
Fund balances - beginning	397	37,104	319	172	3,751,921	-	-	21,671,087
Fund balances - ending	\$ 410	\$ 38,269	\$ -	\$ 177	\$ 3,915,847	\$ 10,598,788	\$ 60,804	\$ 31,691,944

See notes to the financial statements

**WEST VILLAGES IMPROVEMENT DISTRICT
CITY OF NORTH PORT, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

Net change in fund balances - total governmental funds \$ 10,020,857

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures, however, the cost of capital assets is eliminated in the statement of activities and capitalized in the statement of net position. 16,883,447

Governmental funds report the face amount of Bonds issued as financial resources when debt is first issued, whereas these amounts are eliminated in the statement of activities and recognized as long-term liabilities in the statement of net position. (34,130,000)

In connection with the issuance of the Bonds, the original issue discount/premium is reported as a financing use/source when debt is first issued, whereas this amount is eliminated in the statement of activities and reduces/increases long-term liabilities in the statement of net position. 170,209

Repayment of long-term liabilities are reported as expenditures in the governmental fund financial statements but such repayments reduce liabilities in the statement of net position and are eliminated in the statement of activities. 11,000,642

Depreciation of capital assets is not recognized in the governmental fund financial statements but is reported as an expense in the statement of activities. (1,718,219)

Amortization of Bond discounts/premiums is not recognized in the governmental fund financial statements, but is reported as an expense in the statement of activities. (7,167)

Certain revenues were unavailable for the governmental fund financial statements in the prior fiscal year. In the current fiscal year, these revenues were recorded in the governmental fund financial statements. (76,394)

The change in accrued interest on long-term liabilities between the current and prior fiscal year is recorded in the statement of activities but not in the fund financial statements. (693,459)

Change in net position of governmental activities \$ 1,449,916

See notes to the financial statements

**WEST VILLAGES IMPROVEMENT DISTRICT
CITY OF NORTH PORT, FLORIDA
STATEMENT OF NET POSITION - PROPRIETARY FUND
SEPTEMBER 30, 2023**

	<u>Business-type Activities - Irrigation Fund</u>
ASSETS	
Current assets:	
Cash and equivalents	504,547
Due from Developers	439,788
Total current assets	<u>944,335</u>
Noncurrent assets:	
Capital assets:	
Construction in progress	2,214,638
Irrigation system	1,364,593
Less accumulated depreciation	<u>(178,156)</u>
Total capital assets, net of depreciation	<u>3,401,075</u>
Total noncurrent assets	<u>3,401,075</u>
Total assets	<u>4,345,410</u>
LIABILITIES	
Current liabilities:	
Accounts payable and accrued expenses	<u>140,479</u>
Total current liabilities	<u>140,479</u>
Noncurrent liabilities	
Developer advances	<u>4,282,799</u>
Total noncurrent liabilities	<u>4,282,799</u>
Total liabilities	<u>4,423,278</u>
NET POSITION	
Investment in capital assets	(881,724)
Unrestricted	803,856
	<u>\$ (77,868)</u>

See notes to the financial statements

**WEST VILLAGES IMPROVEMENT DISTRICT
CITY OF NORTH PORT, FLORIDA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
NET POSITION - PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

	<u>Business-type Activities - Irrigation Fund</u>
Operating revenues:	
Charges for services:	
Irrigation revenues	922,774
Other	<u>4,221</u>
Total operating revenues	<u>926,995</u>
 Operating expenses:	
Irrigation services	931,636
Depreciation	<u>44,539</u>
Total operating expenses	<u>976,175</u>
 Operating income (loss)	 <u>(49,180)</u>
 Nonoperating revenues (expenses):	
Interest income	<u>6,600</u>
Total nonoperating revenues (expenses)	<u>6,600</u>
 Change in net position	 (42,580)
 Total net position (deficit) - beginning, previously stated	 <u>(35,288)</u>
 Total net position - beginning	 <u>(35,288)</u>
 Total net position - ending	 <u>\$ (77,868)</u>

See notes to the financial statements

**WEST VILLAGES IMPROVEMENT DISTRICT
CITY OF NORTH PORT, FLORIDA
STATEMENT OF CASH FLOWS - PROPRIETARY FUND
FISCAL YEAR ENDED SEPTEMBER 30, 2023**

CASH FLOW FROM OPERATING ACTIVITIES	
Receipts from customers and users	\$ 926,995
Payments for goods and services	<u>(1,312,981)</u>
Net cash provided (used) by operating activities	<u>(385,986)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds from Developer advances	1,057,032
Purchase of capital assets	<u>(722,728)</u>
Net cash provided (used) by capital and related financing activities	<u>334,304</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest income	<u>6,600</u>
Net cash provided (used) by investing activities	<u>6,600</u>
Net increase (decrease) in cash and cash equivalents	(45,082)
Cash and cash equivalents - October 1	<u>549,629</u>
Cash and cash equivalents - September 30	<u>\$ 504,547</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Operating income (loss)	\$ (49,180)
Depreciation	44,539
Increase/(Decrease) in:	
Accounts payable	<u>(381,345)</u>
Total adjustments	<u>(336,806)</u>
Net cash provided (used) by operating activities	<u>\$ (385,986)</u>

See notes to the financial statements

**WEST VILLAGES IMPROVEMENT DISTRICT
CITY OF NORTH PORT, FLORIDA
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 – NATURE OF ORGANIZATION AND REPORTING ENTITY

West Villages Improvement District ("District") was created on July 23, 2004. The District is governed by the Board of Supervisors ("Board"), which is composed of five members. The Board of Supervisors of the District exercise all powers granted to the District pursuant to Chapter 2004-456 Laws of Florida.

The District provides among other things, the power to manage basic services for community development, power to borrow money and issue bonds, and to levy and assess non-ad valorem assessments for the financing and delivery of capital infrastructure.

The District was established for the purposes of financing and managing the acquisition, construction, maintenance and operation of a portion of the infrastructure necessary for community development within the District.

The District is being developed by separate Developers, a Master Developer and by other Homebuilders. The Master Developers are Thomas Ranch Land Partners Village, LLP ("Thomas Ranch") a subsidiary of Mattamy Homes who assumed responsibility as the major developer for Unit 1, replacing Fourth Quarter Properties XXXII, LLC and became the new majority owner for the District. Other Developers include Lennar Homes, Inc. ("Lennar"), Gran Paradiso I and II, and Pulte Homes, LP. At September 30, 2023, a majority of the Board Members are affiliated with Thomas Ranch. All references to ("Developer") include all of the entities associated with the District. The District has previously created five separate development units – Units 1, 2, 3, 4 and 5. During a prior year Unit 6 was created for the construction of the Master Irrigation system, which is funded by the Master Developer and by fees generated from an approved rate structure. During a prior fiscal year, Unit 7 was created for the development of Unit 7 infrastructure improvements. During a prior fiscal year end, Unit 8 was created for the development of Unit 8 infrastructure improvements. During the current fiscal year end Unit 9 was created for the development of Unit 9 infrastructure improvements.

The Board has the final responsibility for:

1. Assessing and levying assessments.
2. Approving budgets.
3. Exercising control over facilities and properties.
4. Controlling the use of funds generated by the District.
5. Approving the hiring and firing of key personnel.
6. Financing improvements.

The financial statements were prepared in accordance with Governmental Accounting Standards Board ("GASB") Statements. Under the provisions of those standards, the financial reporting entity consists of the primary government, organizations for which the District is considered to be financially accountable, and other organizations for which the nature and significance of their relationship with the District are such that, if excluded, the financial statements of the District would be considered incomplete or misleading. There are no entities considered to be component units of the District; therefore, the financial statements include only the operations of the District.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Government-Wide and Fund Financial Statements

The basic financial statements include both government-wide and fund financial statements.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide and Fund Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include: 1) charges to customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; operating-type special assessments for maintenance and debt service are treated as charges for services and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not included among program revenues are reported instead as *general revenues*.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement* focus and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Assessments are recognized as revenues in the year for which they are levied. Grants and similar items are to be recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Assessments

Assessments are non-ad valorem assessments on certain land and all platted lots within the District. Assessments are levied each November 1 on property of record as of the previous January. The fiscal year for which annual assessments are levied begins on October 1 with discounts available for payments through February 28 and become delinquent on April 1. For debt service assessments, amounts collected as advance payments are used to prepay a portion of the Bonds outstanding. Otherwise, assessments are collected annually to provide funds for the debt service on the portion of the Bonds which are not paid with prepaid assessments.

Assessments and interest associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. The portion of assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period.

The District reports the following major governmental funds:

General Fund

The general fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

Debt Service Funds - Unit 1, Unit 2 (2019), Unit 3, Unit 4, Unit 5, Unit 7, Unit 7 & 8, Unit 8, and Unit 9

The debt service funds for each unit are used to account for the accumulation of resources for the annual payment of principal and interest on long-term debt for each development unit.

Capital Projects Funds - Unit 1, Unit 3, Unit 5, Unit 7, Unit 7 & 8, Unit 8, and Unit 9

This funds accounts for the financial resources to be used for the acquisition or construction of major infrastructure within the District for each development unit.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

The District reports the following enterprise fund:

Irrigation Fund

The Irrigation Fund accounts for the operations of the irrigation lines, which are funded by proceeds from operations of these facilities including user fees, meter fees and connection fees.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's enterprise fund are charges to customers for sales and services. Operating expenses of the enterprise fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first for qualifying expenditures, then unrestricted resources as they are needed.

Assets, Liabilities and Net Position or Equity

Restricted Assets

These assets represent cash and investments set aside pursuant to Bond covenants or other contractual restrictions

Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand and demand deposits (interest and non-interest bearing).

The District has elected to proceed under the Alternative Investment Guidelines as set forth in Section 218.415 (17) Florida Statutes. The District may invest any surplus public funds in the following:

- a) The Local Government Surplus Trust Funds, or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act;
- b) Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency;
- c) Interest bearing time deposits or savings accounts in qualified public depositories;
- d) Direct obligations of the U.S. Treasury.

Securities listed in paragraph c and d shall be invested to provide sufficient liquidity to pay obligations as they come due.

The District records all interest revenue related to investment activities in the respective funds. Investments are measured at amortized cost or reported at fair value as required by generally accepted accounting principles.

Inventories and Prepaid Items

Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position or Equity (Continued)

Capital Assets

Capital assets which include property, plant and equipment, infrastructure assets, (e.g., roads, sidewalks and similar items) and construction in progress are reported in the government activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant and equipment of the District are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Water Management & Environmental	30
Roadways	25
Gateway Entry	15
Landscape & Lighting	10
Irrigation System	30

In the governmental fund financial statements, amounts incurred for the acquisition of capital assets are reported as fund expenditures. Depreciation expense is not reported in the governmental fund financial statements.

Unearned Revenue

Governmental funds report unearned revenue in connection with resources that have been received, but not yet earned.

Long-Term Obligations

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized ratably over the life of the Bonds. Bonds payable are reported net of applicable premiums or discounts. Bond issuance costs are expensed when incurred.

In the fund financial statements, governmental fund types recognize premiums and discounts, as well as issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position or Equity (Continued)

Fund Equity/Net Position

In the fund financial statements, governmental funds report non spendable and restricted fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Assignments of fund balance represent tentative management plans that are subject to change.

The District can establish limitations on the use of fund balance as follows:

Committed fund balance – Amounts that can be used only for the specific purposes determined by a formal action (resolution) of the Board of Supervisors. Commitments may be changed or lifted only by the Board of Supervisors taking the same formal action (resolution) that imposed the constraint originally. Resources accumulated pursuant to stabilization arrangements sometimes are reported in this category.

Assigned fund balance – Includes spendable fund balance amounts established by the Board of Supervisors that are intended to be used for specific purposes that are neither considered restricted nor committed. The Board may also assign fund balance as it does when appropriating fund balance to cover differences in estimated revenue and appropriations in the subsequent year's appropriated budget. Assignments are generally temporary and normally the same formal action need not be taken to remove the assignment.

The District first uses committed fund balance, followed by assigned fund balance and then unassigned fund balance when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Net position is the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. Net position in the government-wide financial statements are categorized as net investment in capital assets, restricted or unrestricted. Net investment in capital assets represents net position related to infrastructure and property, plant and equipment. Restricted net position represents the assets restricted by the District's Bond covenants or other contractual restrictions. Unrestricted net position consists of the net position not meeting the definition of either of the other two components.

Other Disclosures

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

NOTE 3 – BUDGETARY INFORMATION

The District is required to establish a budgetary system and an approved Annual Budget. Annual Budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund. All annual appropriations lapse at fiscal year-end.

The District follows these procedures in establishing the budgetary data reflected in the financial statements.

- a) Each year the District Manager submits to the District Board a proposed operating budget for the fiscal year commencing the following October 1.
- b) Public hearings are conducted to obtain public comments.
- c) Prior to October 1, the budget is legally adopted by the District Board.
- d) All budget changes must be approved by the District Board.
- e) The budgets are adopted on a basis consistent with generally accepted accounting principles.
- f) Unused appropriation for annually budgeted funds lapse at the end of the year.

NOTE 4 – DEPOSITS AND INVESTMENTS

Deposits

The District's cash balances were entirely covered by federal depository insurance or by a collateral pool pledged to the State Treasurer. Florida Statutes Chapter 280, "Florida Security for Public Deposits Act", requires all qualified depositories to deposit with the Treasurer or another banking institution eligible collateral equal to various percentages of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance held. The percentage of eligible collateral (generally, U.S. Governmental and agency securities, state or local government debt, or corporate bonds) to public deposits is dependent upon the depository's financial history and its compliance with Chapter 280. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses.

Investments

The District's investments were held as follows at September 30, 2023:

Investment	Amortized cost	Credit Risk	Maturities
US Bank Money Market Account	\$ 25,510,703	Not Available	Not available
Florida Education Investment Trust	4,301,448	Not Available	Not available
	<u>\$ 29,812,151</u>		

Credit risk – For investments, credit risk is generally the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Investment ratings by investment type are included in the preceding summary of investments.

Concentration risk – The District places no limit on the amount the District may invest in any one issuer.

Interest rate risk – The District does not have a formal policy that limits investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates.

However, the Bond Indentures limit the type of investments held using unspent proceeds.

Fair Value Measurement – When applicable, the District measures and records its investments using fair value measurement guidelines established in accordance with GASB Statements. The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques.

NOTE 4 – DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

These guidelines recognize a three-tiered fair value hierarchy, in order of highest priority, as follows:

- *Level 1:* Investments whose values are based on unadjusted quoted prices for identical investments in active markets that the District has the ability to access;
- *Level 2:* Investments whose inputs - other than quoted market prices - are observable either directly or indirectly; and,
- *Level 3:* Investments whose inputs are unobservable.

The fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the entire fair value measurement. Valuation techniques used should maximize the use of observable inputs and minimize the use of unobservable inputs.

Money market investments that have a maturity at the time of purchase of one year or less and are held by governments other than external investment pools should be measured at amortized cost. Accordingly, the District's investments have been reported at amortized cost above.

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the governmental activities for the fiscal year ended September 30, 2023 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<u>Governmental activities</u>				
Capital assets, not being depreciated				
Land	\$ 12,837,903	\$ -	\$ -	\$ 12,837,903
Infrastructure in progress	63,384,998	-	-	63,384,998
Infrastructure in progress - w astew ater treatment plant	57,534,889	-	-	57,534,889
Village B Parcel Project - CIP	1,137,564	6,116	-	1,143,680
Unit No. 8 Improvements - CIP	15,302,249	4,918,964	-	20,221,213
Unit No. 9 Improvements - CIP	-	11,958,367	-	11,958,367
Total capital assets, not being depreciated	150,197,603	16,883,447	-	167,081,050
Capital assets, being depreciated				
Water Management and Environmental	18,771,847	-	-	18,771,847
Roadw ays	13,908,078	-	-	13,908,078
Gatew ay Entry	6,346,169	-	-	6,346,169
Landscape and Lighting - Unit 3	3,378,980	-	-	3,378,980
Total capital assets, being depreciated	42,405,074	-	-	42,405,074
Less accumulated depreciation for:				
Water Management and Environmental	4,283,036	515,274	-	4,798,310
Roadw ays	4,501,961	441,950	-	4,943,911
Gatew ay Entry	4,407,853	423,097	-	4,830,950
Landscape and Lighting - Unit 3	2,787,659	337,898	-	3,125,557
Total accumulated depreciation	15,980,509	1,718,219	-	17,698,728
Total capital assets, being depreciated, net	26,424,565	(1,718,219)	-	24,706,346
Governmental activities capital assets, net	\$ 176,622,168	\$ 15,165,228	\$ -	\$ 191,787,396

Depreciation expense was charged to maintenance and operations.

NOTE 5 – CAPITAL ASSETS (Continued)

Capital asset activity for the business-type activities for the fiscal year ended September 30, 2023 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<u>Business type activities</u>				
Capital assets, not being depreciated				
Construction in progress	\$ 1,491,910	\$ 722,728	\$ -	\$ 2,214,638
Total capital assets, not being depreciated	1,491,910	722,728	-	2,214,638
Capital assets, being depreciated				
Irrigation system	1,364,593	-	-	1,364,593
Total capital assets, being depreciated	1,364,593	-	-	1,364,593
Less accumulated depreciation for:				
Irrigation system	133,617	44,539	-	178,156
Total accumulated depreciation	133,617	44,539	-	178,156
Total capital assets, being depreciated, net	1,230,976	(44,539)	-	1,186,437
Business type activities capital assets, net	\$ 2,722,886	\$ 678,189	\$ -	\$ 3,401,075

Governmental activities

Costs incurred to-date relate to Development Unit's No. 1, No. 2, No. 3, No. 4, No. 5 No. 7, No. 8, and No. 9. Certain improvements were acquired directly from the Developer. The total anticipated project costs have been estimated at approximately \$30 million for Unit No. 1; \$34 million for Unit No. 2; \$47 million for Unit No. 3; \$30 million for Unit No. 4; \$117 million for Unit No. 5; \$72.5 million for Unit No. 7; \$50 million for Unit No. 8; and \$51,000 for Unit No. 9. Units No. 3, No. 4 and No. 5 were completed in a prior fiscal year.

Funding for the Unit 5 improvements are derived from multiple sources which include contributions from certain Developers, City of North Port, Sarasota County, the State of Florida and Atlanta National League Baseball Club, LLC ("Atlanta Braves"). The Unit 5 improvements were conveyed to the County during a prior fiscal year.

Certain improvements will be conveyed to other entities upon completion of the various developments, which include but are not limited to the wastewater treatment plant and the other improvements.

The District has entered an agreement with the Developer, whereby the Developer has agreed to provide funding for the completion of the wastewater treatment plant. The wastewater treatment plant will be conveyed to another entity for ownership and maintenance upon completion.

In the current year additions For Unit No. 8 Improvements – CIP and Unit No. 9 Improvements - CIP were improvements purchased from the Developer.

Business type activities

Unit No. 6 is comprised of the Master Irrigation Facility. The original agreements with the Developer provided for Developer contributions for funding of the improvements and any costs overruns related to the Master Irrigation Facility. The original agreements and or new agreements have been modified to provide for reimbursement to the Developer of amounts advanced under certain conditions.

NOTE 6 – LONG TERM LIABILITIES

Series 2016 (Unit 4)

On November 15, 2016, the District issued \$13,090,000 of Special Assessment Revenue Bonds, Series 2016 (Unit 4), due November 1, 2046 with interest rates of 3.375% to 5.0%. The Bonds were issued for the purpose of financing the acquisition and construction of certain improvements for the benefit of the District. Interest is paid semiannually on each May 1 and November 1, commencing May 1, 2017. Principal is paid serially commencing November 1, 2017 through November 1, 2046.

Series 2017 (Unit 1)

On August 31, 2017, the District issued \$32,165,000 of Special Assessment Revenue Refunding Bonds, Series 2017 (Unit 1), due May 1, 2037 with interest rates of 3.50% - 4.625%. The Bonds were issued for the purpose of refunding the District's outstanding Series 2007 Special Assessment Revenue Bonds (the "Refunded Bonds"), and to finance the acquisition and construction of certain improvements for the benefit of the District. Interest is paid semiannually on each May 1 and November 1, commencing May 1, 2018. Principal is paid serially commencing May 1, 2018 through May 1, 2038.

Series 2017 (Unit 3)

On August 31, 2017, the District issued \$16,550,000 of Special Assessment Revenue Refunding Bonds, Series 2017 (Unit 3), due May 1, 2037 with interest rates of 3.50% - 5.00%. The Bonds were issued for the purpose of refunding the District's outstanding Series 2006 Special Assessment Revenue Bonds (the "Refunded Bonds") and to finance the acquisition and construction of certain improvements for the benefit of the District. Interest is paid semiannually on each May 1 and November 1, commencing November 1, 2017. Principal is paid serially commencing May 1, 2018 through May 1, 2037.

Series 2017A (Unit 5)

On December 21, 2017, the District issued \$13,955,000 of Taxable Florida State Sales Tax Payments Revenue Bonds, Series 2017A, consisting of multiple term bonds with due dates ranging from February 1, 2019 – February 1, 2038 and fixed interest rates ranging from 2.277% to 3.831%. The Bonds were issued for the purpose of funding a portion of the costs of the 2017 Project. Interest is paid semiannually on each August 1 and February 1, commencing August 1, 2018. Principal is paid serially commencing August 1, 2018 through February 1, 2038. Principal and interest on the Bonds are to be paid with Florida State Sales Tax Payments pledged to the District.

Series 2017B (Unit 5)

On December 21, 2017, the District issued \$27,500,000 of Senior Secured Notes due December 30, 2033 with a fixed interest rate of 5.4%. The Notes were issued for the purpose of funding a portion of the costs of the 2017 Project. Interest is paid semiannually on each June 30 and December 30, commencing June 30, 2018. Principal is paid serially commencing June 30, 2018 through December 30, 2033. Principal and interest on the Bonds are to be paid with Florida State Sales Tax Payments pledged to the District and by an annual fee to be paid by Atlanta Braves.

Series 2019 (Unit 7)

On April 15, 2019, the District issued \$32,360,000 of Series 2019 Special Assessment Revenue Bonds (Unit 7), due dates ranging from May 1, 2021 to May 1, 2050 with interest rates of 4.00% - 5.00%. The Bonds were issued for the purpose of financing the acquisition and construction of certain improvements for the benefit of the District. Interest is paid semiannually on each May 1 and November 1, commencing May 1, 2019. Principal is paid serially commencing May 1, 2021 through May 1, 2050.

NOTE 6 – LONG TERM LIABILITIES (Continued)

Series 2019 (Unit 2)

During a prior fiscal year end the Unit 2 Series 2005 bond was bifurcated. The primary purpose of the Bifurcation is to divide the security for the trust estate of the Series 2005 Bonds into two separate and distinct trust estates secured by two separate and distinct sources of collateral. Accordingly, two separate assessment areas have been established within Unit No. 2 relative to the Bifurcated Bonds. "Assessment Area 1" includes all lands within Unit No. 2 with the exception of (1) the Delinquent Commercial Property; (2) the residential units which have prepaid the Series 2005 Assessments levied on their property in full; and (3) those units for which the District has received a true-up payment in accordance with the various True-Up Agreements executed in conjunction with the issuance of the Series 2005 Bonds. "Assessment Area 2" includes the Delinquent Commercial Property.

The Series 2005 (Unit 2) Bonds with principal outstanding of \$32,965,000 were exchanged for \$15,190,000 Series 2019A-1 "Assessment Area 1", \$17,445,000 Series 2019A-2 "Assessment Area 2" and \$330,000 of Defeased Bonds. The Series 2019A-1 Bonds are current on their debt service payments. The Defeased Bonds were paid by the District during the prior fiscal year and are no longer a liability of the District. The Bondholders cancelled \$4,615,000 of the Series 2019A-2 Bonds, leaving a balance of \$12,830,000 after the restructuring.

Series 2019A-1 (Unit 2)

The Series 2019A-1 Special Assessment Bonds (Unit 2) were exchanged for the Series 2005 Bonds in October 2019, with due dates ranging from May 1, 2020 to May 1, 2036 with an interest rate of 5.75%. Interest is paid semiannually on each May 1 and November 1, commencing May 1, 2020. Principal is paid serially commencing May 1, 2020 through May 1, 2036.

Series 2019A-2 (Unit 2)

The Series 2019A-2 Special Assessment Bonds (Unit 2) were exchanged for the Series 2005 Bonds in October 2019, with due dates ranging from May 1, 2020 to May 1, 2036 with an interest rate of 5.75%. Interest is paid semiannually on each May 1 and November 1, commencing May 1, 2020. Principal is paid serially commencing May 1, 2020 through May 1, 2036.

Subsequent to the restructuring the District had delinquent assessments still due from Major Landowners which ultimately secure the Bonds. As a result, certain scheduled debt service payments were not made in prior and current fiscal years. The amount due has been reported in the financial statements as Due to Bondholders and reflects \$1,975,000 due for principal and \$2,612,776 due for interest. The failure by the District to pay its debt service is considered an event of default. In addition, subsequent to year end, the District did not pay the scheduled debt service on the Bonds.

Series 2021 (Unit 7)

On April 20, 2021, the District issued \$7,975,000 of Special Assessment Revenue Bonds (Unit 7), Series 2021 (Village F-1 and F-5), consisting of multiple term bonds with fixed interest rates ranging from 2.50% to 4.00%. The bonds were issued to finance the acquisition and construction of certain improvements for the benefit of the District. Interest is to be paid semiannually on each May 1 and November 1. Principal on the Bonds is to be paid serially commencing May 1, 2022 through May 1, 2051.

Series 2021 (Unit 8)

On April 20, 2021, the District issued \$13,000,000 of Special Assessment Revenue Bonds (Unit 8), Series 2021 (Master Infrastructure), consisting of multiple term bonds with fixed interest rates ranging from 2.500% to 4.000%. The bonds were issued to finance the acquisition and construction of certain improvements for the benefit of the District. Interest is to be paid semiannually on each May 1 and November 1. Principal on the Bonds is to be paid serially commencing May 1, 2022 through May 1, 2051.

NOTE 6 – LONG TERM LIABILITIES (Continued)

Series 2022 (Unit 8)

On December 12, 2022, the District issued \$17,000,000 of Special Assessment Revenue Bonds (Unit 8), Series 2022 (Neighborhood Infrastructure), consisting of multiple term bonds with fixed interest rates ranging from 4.650% to 5.580%. The bonds were issued to finance the acquisition and construction of certain improvements for the benefit of the District. Interest is to be paid semiannually on each May 1 and November 1. Principal on the Bonds is to be paid serially commencing May 1, 2024 through May 1, 2053.

Series 2023 (Unit 9)

On March 16, 2023, the District issued \$17,130,000 of Special Assessment Revenue Bonds (Unit 9), Series 2023, consisting of multiple term bonds with fixed interest rates ranging from 4.625% to 5.625%. The bonds were issued to finance the acquisition and construction of certain improvements for the benefit of the District. Interest is to be paid semiannually on each May 1 and November 1. Principal on the Bonds is to be paid serially commencing May 1, 2024 through May 1, 2053.

Redemption Provisions

All of the Bond/Notes are subject to redemption at the option of the District prior to their maturity as outlined in the Bond/Note Indentures. Except for the 2017A Bonds and B Notes, the Bonds are also subject to extraordinary mandatory redemption prior to their selected maturity in the manner determined by the Bond Registrar if certain events occur as outlined in the Bond/Note Indentures.

Indenture Requirements

The Bond Indentures require that the District maintain adequate funds in the reserve accounts to meet the debt service reserve requirements as defined in the Bond Indentures. In addition, the Bond Indentures have certain restrictions and requirements relating principally to the use of proceeds to pay for the infrastructure improvements and the procedures to be followed by the District on assessments to property owners. The District agrees to levy special assessments in annual amounts adequate to provide payment of debt service and to meet the reserve requirements. The District is in compliance with the reserve requirements outlined in the various indentures.

NOTE 6 – LONG TERM LIABILITIES (Continued)

Long-term debt activity

Changes in long-term liability activity for the fiscal year ended September 30, 2023 were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<u>Governmental activities</u>					
Bonds/Note payable:					
Bond Series 2016 (Unit 4)	\$ 11,870,000	\$ -	\$ 260,000	\$ 11,610,000	\$ 275,000
Bond Series 2017 (Unit 1)	27,000,000	-	1,200,000	25,800,000	1,250,000
Less: Original issue discount	(286,168)	-	(17,885)	(268,283)	-
Bond Series 2017 (Unit 3)	13,395,000	-	670,000	12,725,000	670,000
Add: Original issue premium	198,232	-	13,216	185,016	-
Bond Series 2017 (Unit 5)	11,610,000	-	570,000	11,040,000	590,000
Note 2017 (Unit 5)	21,962,276	-	1,421,568	20,540,708	1,499,370
Bond Series 2019 (U7)	31,310,000	-	565,000	30,745,000	585,000
Less: Original issue discount	(52,525)	-	(2,020)	(50,505)	-
Bond Series 2019 A-1 (U2)	13,420,000	-	1,240,000	12,180,000	640,000
Bond Series 2019 A-2 (U2)	12,830,000	-	-	12,830,000	2,555,000
Bond Series 2021 (F1 & F5)	7,815,000	-	165,000	7,650,000	170,000
Add: Original issue premium	54,965	-	1,924	53,041	-
Bond Series 2021 (Master Infrastructure)	12,740,000	-	270,000	12,470,000	275,000
Add: Original issue premium	89,810	-	3,143	86,667	-
Bond Series 2022 (Unit 8)	-	17,000,000	-	17,000,000	240,000
Less: Original issue discount	-	(113,545)	(3,686)	(109,859)	-
Bond Series 2023 (Unit 9)	-	17,130,000	-	17,130,000	245,000
Less: Original issue discount	-	(56,664)	(1,859)	(54,805)	-
Developer advances- WWTP	6,211,519	-	4,057,967	2,153,552	-
Developer advances- Fire station	36,107	-	36,107	-	-
Total	\$ 170,204,216	\$ 33,959,791	\$ 10,448,475	\$ 193,715,532	\$ 8,994,370

* Includes \$1,430,000 due to bondholders for the Series 2019 Bond which was not paid.

Long-term debt activity (Continued)

At September 30, 2023, the scheduled debt service requirements on the long - term debt were as follows:

Year ending September 30:	Governmental Activities		
	Principal	Interest	Total
2024	\$ 8,994,370	\$ 11,895,690	\$ 20,890,060
2025	7,341,429	8,936,642	16,278,071
2026	7,677,979	8,606,737	16,284,716
2027	8,029,265	8,259,761	16,289,026
2028	8,440,548	7,892,279	16,332,827
2029-2033	48,881,847	32,945,155	81,827,002
2034-2038	42,455,270	20,562,174	63,017,444
2039-2043	19,055,000	13,118,921	32,173,921
2044-2048	23,515,000	7,934,844	31,449,844
2049-2053	17,330,000	2,314,681	19,644,681
Total	\$ 191,720,708	\$ 122,466,884	\$ 314,187,592

* Includes \$1,975,000 in principal and \$2,612,776 due to Bondholders for the Series 2019 Bond which was not paid.

NOTE 7 – DEVELOPER CONTRIBUTIONS

Governmental Funds

The Developer owns a portion of land within the District; therefore, assessment revenues in the general and debt service funds include the assessments levied on those lots owned by the Developer. The Developer also provided \$207,024 as Developer contributions for the general fund during the current fiscal year.

NOTE 8 – DELINQUENT ASSESSMENTS

The Developer owns a significant portion of land within the District; therefore, assessment revenues in the general and debt service funds include the assessments levied on those lots owned by the Developer. However, a Major Landowner did not pay a portion of their assessments. See Note 6.

NOTE 9 – CONCENTRATION

The District's activity is dependent upon the continued involvement of the Developer and Major Landowners, the loss of which could have a material adverse effect on the District's operations.

NOTE 10 – MANAGEMENT COMPANY

The District has contracted with a management company to perform management advisory services, which include financial and accounting advisory services. Certain employees of the management company also serve as officers of the District. Under the agreement, the District compensates the management company for management, accounting, financial reporting, computer and other administrative costs.

NOTE 11 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The District has obtained commercial insurance from independent third parties to mitigate the costs of these risks; coverage may not extend to all situations. There were no settled claims during the past three years.

NOTE 12 – CITY OF NORTH PORT AGREEMENTS

General Principal Agreement

On June 26, 2006, the District entered into a General Principles of Agreement with the City of North Port ("City") and Fourth Quarter Properties XXXII, LLC. Under the agreement, the District is responsible for the construction and equipping of a police substation and fire and emergency medical facilities, which are eligible to be reimbursed from impact fees collected within the District; dedication of certain lands for community parks and general government use; master plan and design of parks within the District eligible to be reimbursed from impact fees collected within the District; as well as other items as described in the General Principles of Agreement. Note, this is a summary; the agreement includes more specific content and provisions. The Agreement referred to above was assumed by the new major Developer.

On June 27, 2006, Fourth Quarter Properties XXXII, LLC (Fourth Quarter) entered into a Guarantee Agreement in favor of West Villages Improvement District. Under the agreement, Fourth Quarter unconditionally guarantees to transfer real property to the District or North Port as outlined in the General Principles of Agreement denoted above. Fourth Quarter also acknowledges that the District may not be able to reimburse or pay for this property unless it is authorized to do so pursuant to its enabling legislation and the applicable requirements of either Chapter 170 or 298, Florida Statutes. This agreement also states that Fourth Quarter unconditionally agrees to advance funds to the District in a timely fashion as are necessary for the construction and equipping as outlined in the General Principles of Agreement; however, Fourth Quarter shall be entitled to reimbursement of any such advances from impact fees collected within the District and/or future unit development funding. Note, this is a summary; the agreement includes more specific content and provisions. The Agreement referred to above was assumed by the new major Developer. The agreement was superseded during a prior fiscal year.

NOTE 12 – CITY OF NORTH PORT AGREEMENTS (Continued)

Development Agreement with City of North Port and Developer

During a prior fiscal year the District entered into the West Village Developer Agreement (“Agreement”) with the City of North Port (“City”) and the Developer. The key terms of the agreement are summarized below:

1. The agreement related to capacity for and construction of water and wastewater facilities are memorialized in the *2019 Amended and Restated Utilities Agreement*, dated September 10, 2019 and which may be amended in the future. The Agreement does not amend, supersede, or otherwise affect the utility agreement, which remains in full force and effect.
2. The Agreement, pursuant to Section 58-109 of the Code of the City of North Port, Florida, provides for the rights and obligations for the City's expenditure of impact fees in several designated areas, including fire/rescue, law enforcement, parks, and general government.
3. The City Commission having considered the factors required by Section 58-109 of the Code of the City of North Port, Florida, has determined that the System Improvements referenced in this Agreement qualify for impact fee expenditures and Developer reimbursement.
4. The District desires to provide the City with turn-key System Improvements as described in this Agreement for the delivery of needed City public services and that the Developer desires to provide the City land related to these System Improvements; that the City desires to own and operate the improvements and to provide the District a limited reimbursement from impact fees of the cost for certain improvements at the time of transfer of the improvements to the City; that the Agreement provides for a proportionate fair share of the costs of the needed System Improvements resulting from the development.

During the current fiscal year the City provided \$14,933 for certain park improvements.

Transportation Impact Fee Reimbursement Agreement

On April 14, 2021, the District entered into a Transportation Impact Fee Reimbursement Agreement with Wellen Park, LLLP (“Developer”) and the City of North Port. The agreement states that the cost of the roads is expected to exceed \$125,000,000. As of the date of the agreement the Developer and District have incurred a total of \$47,681,364 in costs associated with the design, permitting and construction of completed portions of the roads within Wellen Park in addition to \$27,430,437 in costs associated with other portions of the roads which have been designed are under construction but not yet completed. The agreement states the Developer shall design, permit and construct the roads necessary in Wellen Park. The City will reimburse the District in an amount not to exceed \$90,000,000 for road costs. The source of the City's reimbursement payments shall be the transportation impact fees collected by the City from development occurring within Wellen Park.

During the current fiscal year the City provided \$1,649,637 to the District in relation to this agreement.

NOTE 13 –LITIGATION AND CLAIMS

Gran Paradiso Matter

The Gran Paradiso Property Owners Association, Inc. (the “GPHOA”) filed a lawsuit against the District on November 19, 2023. The GPHOA alleges, in relevant part, that i) the District should be enjoined from suspending or discontinuing irrigation services to the GPHOA for its failure to timely pay for irrigation service rendered to it by the District; ii) the District and the GPHOA (when controlled by Lennar Homes, LLC) wrongfully executed various irrigation supply agreements between the parties be rescinded/nullified; and iii) the District improperly noticed a public hearing required to be held in advance of its adoption of Resolution 2018-18 and accordingly such resolution is void ab initio. The case has been assigned Case No. 2022-CA- 005368-SC. At September 30, 2023, the District's is owed \$274,032 for irrigation services from this account. This amount is recorded as part of the \$439,788 receivable in the September 30, 2023 Statement of Net Position of the District's irrigation fund. As of the report date, the outcome cannot be determined and, therefore, no adjustments to amounts related to this matter have been reflected in the financial statements.

NOTE 13 –LITIGATION AND CLAIMS (Continued)

Three Individuals Matter

Three individuals filed a lawsuit against the District on September 29, 2023. The plaintiffs allege defects related to the District's budget and special assessment approval processes. The case has been assigned Case No. 2023 CA 007165 SC. As of the report date, the outcome cannot be determined and, therefore, no adjustments to amounts related to this matter have been reflected in the financial statements.

NOTE 14 – SUBSEQUENT EVENTS

Bond Issuance

Subsequent to fiscal year end, the District issued \$4,805,000 of Series 2023 Bonds (Villages F-3 and G-1B), consisting of multiple term bonds with due dates ranging from May 1, 2030 to May 1, 2054 with a fixed interest rates of 5.350% to 6.320%. The Bonds were issued to finance the acquisition and construction of certain improvements for the benefit of the District. Additionally, the District issued \$19,280,000 of Series 2024 Bonds (Assessment Area One), consisting of multiple term bonds with due dates ranging from May 1, 2031 to May 1, 2054, with fixed interest rates from 4.500% to 5.700%. The Bonds were issued to finance the acquisition and construction of certain improvements for the benefit of the District.

Bond Payments

Subsequent to fiscal year end, the District prepaid a total of \$10,000 of the Series 2017 (U3) Bonds. The District also prepaid a total of \$10,000 of the Series 2019 (U7) Bonds. The prepayments were considered extraordinary mandatory redemptions as outlined in the Bond Indenture.

**WEST VILLAGES IMPROVEMENT DISTRICT
CITY OF NORTH PORT, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL – GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Assessments	\$ 3,684,215	\$ 3,402,219	\$ 3,188,011	\$ (214,208)
Developer contribution	-	233,083	322,866	89,783
Contributions other governments	-	2,246,151	1,664,570	(581,581)
Miscellaneous	-	14,933	801,389	786,456
Interest income	1,000	306,605	306,605	-
Total revenues	3,685,215	6,202,991	6,283,441	80,450
EXPENDITURES				
Current:				
General government	1,057,851	1,702,849	3,420,278	(1,717,429)
Maintenance and operations	2,462,163	5,987,000	1,787,036	4,199,964
Debt service:				
Principal	-	-	36,107	(36,107)
Capital outlay	-	20,000	2,407,891	(2,387,891)
Total expenditures	3,520,014	7,709,849	7,651,312	58,537
Excess (deficiency) of revenues over (under) expenditures	165,201	(1,506,858)	(1,367,871)	138,987
OTHER FINANCING SOURCES (USES)				
Use of fund balance	18,205	-	-	-
Total other financing sources (uses)	18,205	-	-	-
Net change in fund balance	\$ 183,406	\$ (1,506,858)	(1,367,871)	\$ 138,987
Fund balance - beginning			9,173,649	
Fund balance - ending			\$ 7,805,778	

See notes to required supplementary information

**WEST VILLAGES IMPROVEMENT DISTRICT
CITY OF NORTH PORT, FLORIDA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

The District is required to establish a budgetary system and an approved Annual Budget for the General Fund. The District's budgeting process is based on estimates of cash receipts and cash expenditures which are approved by the Board. The budget approximates a basis consistent with accounting principles generally accepted in the United States of America (generally accepted accounting principles).

The legal level of budgetary control, the level at which expenditures may not exceed budget is in the aggregate. Any budget amendments that increase the aggregate budgeted appropriations must be approved by the Board of Supervisors. The fiscal year 2023 general fund budget was amended to increase revenues by \$2,517,776 and increase appropriations by \$4,189,835. Actual general fund expenditures did not exceed appropriations for the fiscal year ended September 30, 2023.

**WEST VILLAGES IMPROVEMENT DISTRICT
CITY OF NORTH PORT, FLORIDA
OTHER INFORMATION – DATA ELEMENTS
REQUIRED BY FL STATUTE 218.39(3)(C)
UNAUDITED**

<u>Element</u>	<u>Comments</u>
Number of district employees compensated at 9/30/2023	0
Number of independent contractors compensated in September 2023	7
Employee compensation for FYE 9/30/2023 (paid/accrued)	Not applicable
Independent contractor compensation for FYE 9/30/2023	\$766,977
Construction projects to begin on or after October 1; (>\$65K)	Not applicable
Budget variance report	See Variance Report in report for details
Ad Valorem taxes;	Not applicable
Non ad valorem special assessments;	
Special assessment rate FYE 9/30/2023	Ranges From \$252.76 To \$2,432.35 Per Unit
Special assessments collected FYE 9/30/2023	\$9,526,479
Outstanding Bonds:	
Series 2016 (Unit 4), due November 1, 2046	\$11,610,000 - See Long Term Liabilities Note in report for details
Series 2017 (Unit 1), due May 1, 2038	\$25,800,000 - See Long Term Liabilities Note in report for details
Series 2017 (Unit 3), due May 1, 2037	\$12,725,000- See Long Term Liabilities Note in report for details
Series 2017 (Unit 5 Bonds), due February 1, 2038	\$11,040,000- See Long Term Liabilities Note in report for details
Series 2017 (Unit 5 Notes), due December 1, 2033	\$20,540,708 - See Long Term Liabilities Note in report for details
Series 2019A-1 (Unit 2), due May 1, 2036.	\$12,180,000 - See Long Term Liabilities Note in report for details
Series 2019A-2 (Unit 2), due May 1, 2036.	\$12,830,000- See Long Term Liabilities Note in report for details
Series 2019 (Unit 7 Master), due May 1, 2050	\$29,490,000 - See Long Term Liabilities Note in report for details
Series 2019 (Unit 7 Village B), due May 1, 2050	\$1,255,000 - See Long Term Liabilities Note in report for details
Series 2021 (Unit 7), due May 1, 2051	\$7,650,000 - See Long Term Liabilities Note in report for details
Series 2021 (Unit 8), due May 1, 2051	\$12,470,000 - See Long Term Liabilities Note in report for details
Series 2022 (Unit 8), due May 1, 2053	\$17,000,000 - See Long Term Liabilities Note in report for details
Series 2023 (Unit 9), due May 1, 2053	\$17,130,000 - See Long Term Liabilities Note in report for details



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Supervisors
West Villages Improvement District
City of North Port, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities and each major fund of West Villages Improvement District, City of North Port, Florida ("District") as of and for the fiscal year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our opinion thereon dated August 14, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the District in a separate letter August 14, 2024.

The District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the findings identified in our audit and described in the accompanying Management Letter. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



August 14, 2024



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
STATE PROJECT AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED
BY CHAPTER 10.550 RULES OF THE AUDITOR GENERAL**

To the Board of Commissioners
West Villages Improvement District
City of North Port, Florida

Report on Compliance for Each Major State Program

We have audited West Villages Improvement District, North Port, Florida (the "District") compliance with the types of compliance requirements described in the *Department of Financial Services' State Projects Compliance Supplement* that could have a direct and material effect on the District's major state project for the fiscal year ended September 30, 2023. The District's major state project is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with state statutes, laws, regulations, and the terms and conditions of its state awards applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the District's major state project based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; and Chapter 10.550, Rules of the Auditor General. Those standards and Chapter 10.550 Rules of the Auditor General, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state project occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major state project. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major State Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the fiscal year ended September 30, 2023.

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major state project and to test and report on internal control over compliance in accordance with Chapter 10.550, Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Chapter 10.550, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.



August 14, 2024

**WEST VILLAGES IMPROVEMENT DISTRICT
CITY OF NORTH PORT, FLORIDA
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

State Agency State Project	CSFA Number	Expenditures
STATE FINANCIAL ASSISTANCE		
Department of Economic Opportunity		
Economic Development Partnerships	40.040	\$ 999,996
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE		<u>\$ 999,996</u>

See accompanying notes to schedule of expenditures of state financial assistance.

**WEST VILLAGES IMPROVEMENT DISTRICT
CITY OF NORTH PORT, FLORIDA
NOTES TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

NOTE A – BASIS OF PRESENTATION

The accompanying schedule of expenditures state financial assistance includes the state grant activity of West Villages Improvement District, City of North Port, Florida (the "District") under the state project for the fiscal year ended September 30, 2023. The information in this schedule is presented in accordance with the requirements of Chapter 10.550, Rules of the Auditor General. Because the schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position or changes in net position of the District.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the accrual basis of accounting.

**WEST VILLAGES IMPROVEMENT DISTRICT
CITY OF NORTH PORT, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS-
STATE PROJECTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

A. SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unmodified opinion on the financial statements of West Villages Improvement District, North Port, Florida (the "District").
2. No significant deficiencies or material weaknesses relating to the audit of the financial statements are reported in the independent auditor's report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of the District were disclosed during the audit, except as noted in the Management Letter.
4. No significant deficiencies relating to the audit of the major state project are reported in the independent auditor's report on compliance for each major State project and on internal control over compliance required by Chapter 10.550, rules of the Auditor General.
5. The independent auditor's report on compliance with requirements that could have a direct and material effect on the state project for the District expresses an unmodified opinion.
6. There were no audit findings relative to the major state award tested for the District.
7. The programs tested as a major program:

<u>State Project</u>	<u>CSFA #</u>
Economic Development Partnerships	40.040
8. The dollar threshold used to distinguish between Type A or Type B for major state projects was \$300,000.

B. FINDINGS – FINANCIAL STATEMENT AUDIT

See Report to Management

C. FINDINGS AND QUESTIONED COSTS- STATE PROJECTS

None

D. OTHER ISSUES

1. No corrective action plan is required because there were no findings required to be reported under the Florida Single Audit Act.

E. PRIOR YEAR FINDINGS- MAJOR STATE PROJECTS

None



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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE
REQUIREMENTS OF SECTION 218.415, FLORIDA STATUTES, REQUIRED BY
RULE 10.556(10) OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA**

To the Board of Supervisors
West Villages Improvement District
City of North Port, Florida

We have examined West Villages Improvement District, City of North Port, Florida's ("District") compliance with the requirements of Section 218.415, Florida Statutes, in accordance with Rule 10.556(10) of the Auditor General of the State of Florida during the fiscal year ended September 30, 2023. Management is responsible for District's compliance with those requirements. Our responsibility is to express an opinion on District's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the District complied, in all material respects, with the specified requirements referenced in Section 218.415, Florida Statutes. An examination involves performing procedures to obtain evidence about whether the District complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. Our examination does not provide a legal determination on the District's compliance with specified requirements.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement.

In our opinion, the District complied, in all material respects, with the aforementioned requirements for the fiscal year ended September 30, 2023.

This report is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, management, and the Board of Supervisors of West Villages Improvement District, City of North Port, Florida and is not intended to be and should not be used by anyone other than these specified parties.

Grau & Associates

August 14, 2024



**MANAGEMENT LETTER PURSUANT TO THE RULES OF
THE AUDITOR GENERAL FOR THE STATE OF FLORIDA**

To the Board of Supervisors
West Villages Improvement District
City of North Port, Florida

Report on the Financial Statements

We have audited the accompanying basic financial statements of West Villages Improvement District ("District") as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated August 14, 2024.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Florida Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards; and Independent Auditor's Report on an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated September 30, 2023, should be considered in conjunction with this management letter.

Purpose of this Letter

The purpose of this letter is to comment on those matters required by Chapter 10.550 of the Rules of the Auditor General for the State of Florida. Accordingly, in connection with our audit of the financial statements of the District, as described in the first paragraph, we report the following:

- I. Current year findings and recommendations.
- II. Status of prior year findings and recommendations.
- III. Compliance with the Provisions of the Auditor General of the State of Florida.

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, as applicable, management, and the Board of Supervisors of West Villages Improvement District, City of North Port, Florida and is not intended to be and should not be used by anyone other than these specified parties.

We wish to thank West Villages Improvement District, City of North Port, Florida and the personnel associated with it, for the opportunity to be of service to them in this endeavor as well as future engagements and the courtesies extended to us.

Grau & Associates

August 14, 2024

REPORT TO MANAGEMENT

I. CURRENT YEAR FINDINGS AND RECOMMENDATIONS

2023-01 Financial Condition Assessment:

Observation: The District had delinquent assessments due from a Major Landowner as of September 30, 2023. Consequently, the District did not make certain scheduled debt service payments in the current fiscal year. The District's failures to make its scheduled debt service payments when they are due are considered events of default.

Recommendation: The District should take the necessary steps to alleviate the financial condition.

Management Response: In the current and prior fiscal years, a large property owner did not pay their property taxes (which included assessments for the District). In October 2019 the Unit 2 Series 2005 bond was bifurcated. The primary purpose of the Bifurcation was to divide the security for the trust estate of the Series 2005 Bonds into two separate and distinct trust estates secured by two separate and distinct sources of collateral. The WVID is working with, providing information and working on solutions to its Series 2005/2019 (Unit 2) bondholders and potential developers in regard to the delinquent property.

II. PRIOR YEAR FINDINGS AND RECOMMENDATIONS

2012-02; 2013-02; 2014-02; 2015-02; 2016-02; 2017-02; 2018-02; 2019-02; 2020-02; 2021-01; 2022-01: Financial Condition Assessment

Current Status: See finding No. 2023-01 above.

III. COMPLIANCE WITH THE PROVISIONS OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

Unless otherwise required to be reported in the auditor's report on compliance and internal controls, the management letter shall include, but not be limited to the following:

1. A statement as to whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report.

There were no significant findings and recommendations made in the preceding annual financial audit report for the fiscal year ended September 30, 2022, except as noted above.

2. Any recommendations to improve the local governmental entity's financial management.

There were no such matters discovered by, or that came to the attention of, the auditor, to be reported for the fiscal year ended September 30, 2023, except as noted above.

3. Noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance.

There were no such matters discovered by, or that came to the attention of, the auditor, to be reported, for the fiscal year ended September 30, 2023, except as noted above.

REPORT TO MANAGEMENT (Continued)

III. COMPLIANCE WITH THE PROVISIONS OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA (Continued)

4. The name or official title and legal authority of the District are disclosed in the notes to the financial statements.
5. In connection with our audit, we determined that the District has met one or more of the financial emergency conditions described in Section 218.503(1), Florida Statutes. The District failed to make certain debt service payments on the Bonds. We applied financial condition assessment procedures pursuant to Rule 10.556(7). See Findings section above for additional information. It is management's responsibility to monitor financial condition, and our financial condition assessment was based in part on representations made by management and the review of the financial information provided by same.
6. Management has provided the specific information required by Section 218.39(3)(c) in the Other Information section of the financial statements on page 37.

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West Villages
Improvement District

Unaudited Financials
Fiscal Year 2024/2025
October 1, 2024 - December 31, 2024

**West Villages Improvement District
Balance Sheet
As of December 31, 2024**

	Operating Fund	Unit 1 Capital Projects Fund	Unit 1 Debt Service Fund	Capital Projects Fund	Unit 2 Debt Service Fund	Unit 3 Capital Projects Fund	Unit 3 Debt Service Fund	Unit 4 Capital Projects Fund	Unit 4 Debt Service Fund	(Baseball) Bonds Capital Projects Fund	(Baseball) Bonds Debt Service Fund	(Baseball) Notes Capital Projects Fund	(Baseball) Notes Debt Service Fund	Unit 7 (2019) Capital Projects Fund	Unit 7 (2019) Debt Service Fund	Unit 7 (2021) Capital Projects Fund
ASSETS																
Current Assets																
Checking Accounts	20,826,593.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1200 - Accounts Receivable	140,236.66	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Checking/Savings	20,966,830.16	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Current Assets	20,966,830.16	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Fixed Assets																
Land	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Fixed Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Infrastructure In Progress	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Accum Depreciation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Fixed Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Assets																
A/R Miscellaneous	3,046.10	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
A/R Assessment Income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
A/R Non Ad Valorem Receipts	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Investments - Construction	0.00	437.54	0.00	0.00	0.00	40,819.49	0.00	0.00	0.00	0.00	0.00	0.00	0.00	188.75	0.00	18,874.81
Investments - Interest Account	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Investments - Reserve Account	0.00	0.00	400,000.00	0.00	201,000.00	0.00	100,000.00	0.00	586,013.75	0.00	0.00	0.00	4,599,870.74	0.00	2,060,662.50	0.00
Investments - Revenue Account	0.00	0.00	102,987.47	0.00	118,615.43	0.00	115,048.27	0.00	80,086.90	0.00	415,675.09	0.00	88,017.85	0.00	42,072.96	0.00
Investments - Redemption Fund	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Investments - Prepayment Fund	0.00	0.00	0.00	0.00	3,663.63	0.00	3,288.93	0.00	3,952.99	0.00	0.00	0.00	0.00	0.00	1,000.70	0.00
Investments - Bond Service Fund	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	161,759.43	0.00	0.00	0.00	0.00	0.00
Investments - Supp. Reserve	0.00	0.00	120,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Amount Available In Unit 1 DSF	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Amount Available In Unit 2 DSF	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Amount Available In Unit 3 DSF	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Amount Available In Unit 4 DSF	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Amount Available In Unit 5 (Bonds) DSF	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Amount Available In Unit 5 (Notes) DSF	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Amount Available In Unit 7 DSF	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Amount Available In Unit 8 DSF	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Amount Available In Unit 9 DSF	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Amount Available In Unit 10 DSF	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Amount To Be Provided	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Other Assets	3,046.10	437.54	622,987.47	0.00	323,279.06	40,819.49	218,337.20	0.00	670,053.64	0.00	577,434.52	0.00	4,687,888.59	188.75	2,103,736.16	18,874.81
TOTAL ASSETS	20,969,876.26	437.54	622,987.47	0.00	323,279.06	40,819.49	218,337.20	0.00	670,053.64	0.00	577,434.52	0.00	4,687,888.59	188.75	2,103,736.16	18,874.81

**West Villages Improvement District
Balance Sheet
As of December 31, 2024**

	Operating Fund	Unit 1 Capital Projects Fund	Unit 1 Debt Service Fund	Capital Projects Fund	Unit 2 Debt Service Fund	Unit 3 Capital Projects Fund	Unit 3 Debt Service Fund	Unit 4 Capital Projects Fund	Unit 4 Debt Service Fund	(Baseball) Bonds Capital Projects Fund	(Baseball) Bonds Debt Service Fund	(Baseball) Notes Capital Projects Fund	(Baseball) Notes Debt Service Fund	Unit 7 (2019) Capital Projects Fund	Unit 7 (2019) Debt Service Fund	Unit 7 (2021) Capital Projects Fund
LIABILITIES & EQUITY																
Liabilities																
Current Liabilities																
Accounts Payable																
202.000 - Accounts Payable	8,515,920.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Accounts Payable	8,515,920.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Current Liabilities																
Miscellaneous Liabilities	4,186,908.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Resurfacing Reserves	2,388,061.08	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Due To Bondholders	0.00	0.00	0.00	0.00	4,505,551.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Deferred Revenue	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Other Current Liabilities	6,574,969.10	0.00	0.00	0.00	4,505,551.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Current Liabilities	15,090,889.10	0.00	0.00	0.00	4,505,551.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Long Term Liabilities																
Dvlpr Advance Liability	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Unit 1 Special Assessment Debt	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Unit 2 Special Assessment Debt (2019A-1)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Unit 2 Special Assessment Debt (2019A-2)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Unit 3 Special Assessment Debt	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Unit 4 Special Assessment Debt	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Unit 5 Bonds Special Assessment Debt	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Unit 5 Notes Special Assessment Debt	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Unit 7 Parcel B Special Assessment Debt	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Unit 7 Master Special Assessment Debt	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Unit 7 (2021) Special Assessment Debt	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Unit 7 (2023) Special Assessment Debt	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Unit 8 (2021) Special Assessment Debt	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Unit 8 (2022) Special Assessment Debt	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Unit 10 (2024) Special Assessment Debt	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Unit 9 (2023) Special Assessment Debt	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Long Term Liabilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Liabilities	15,090,889.10	0.00	0.00	0.00	4,505,551.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Equity																
Net Income	-472,167.48	5.17	-538,200.58	0.00	-325,279.56	481.43	-276,950.75	0.00	-547,555.48	0.00	254,444.69	-319.59	-1,220,841.01	2.22	-124,022.86	222.61
Current Year Depreciation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Retained Earnings	6,351,154.64	432.37	1,161,188.05	0.00	-3,856,992.38	40,338.06	495,287.95	0.00	1,217,609.12	0.00	322,989.83	319.59	5,908,729.60	186.53	2,227,759.02	18,652.20
Investment in GFA	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Equity	5,878,987.16	437.54	622,987.47	0.00	-4,182,271.94	40,819.49	218,337.20	0.00	670,053.64	0.00	577,434.52	0.00	4,687,888.59	188.75	2,103,736.16	18,874.81
TOTAL LIABILITIES & EQUITY	20,969,876.26	437.54	622,987.47	0.00	323,279.06	40,819.49	218,337.20	0.00	670,053.64	0.00	577,434.52	0.00	4,687,888.59	188.75	2,103,736.16	18,874.81

**West Villages Improvement District
Balance Sheet
As of December 31, 2024**

	Unit 7 (2021) Debt Service Fund	Unit 7 (2023) Capital Projects Fund	Unit 7 (2023) Debt Service Fund	Unit 8 (2021) Capital Projects Fund	Unit 8 (2021) Debt Service Fund	Unit 8 (2022) Capital Projects Fund	Unit 8 (2022) Debt Service Fund	Unit 9 (2023) Capital Projects Fund	Unit 9 (2023) Debt Service Fund	Unit 10 (2024) Capital Projects Fund	Unit 10 (2024) Debt Service Fund	General Fixed Assets Fund	Long Term Debt Fund	TOTAL
ASSETS														
Current Assets														
Checking Accounts	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	20,826,593.50
1200 - Accounts Receivable	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	140,236.66
Total Checking/Savings	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	20,966,830.16
Total Current Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	20,966,830.16
Fixed Assets														
Land	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	12,837,903.00	0.00	12,837,903.00
Fixed Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100,014,962.96	0.00	100,014,962.96
Infrastructure In Progress	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100,766,274.00	0.00	100,766,274.00
Accum Depreciation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-17,698,688.00	0.00	-17,698,688.00
Total Fixed Assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	195,920,451.96	0.00	195,920,451.96
Other Assets														
A/R Miscellaneous	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,046.10
A/R Assessment Income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
A/R Non Ad Valorem Receipts	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Investments - Construction	0.00	2,229,135.66	0.00	2,813.16	0.00	11,326,603.13	0.00	63,584.02	0.00	1,245,365.35	0.00	0.00	0.00	14,927,821.91
Investments - Interest Account	0.00	0.00	9,114.20	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9,114.20
Investments - Reserve Account	222,881.25	0.00	176,862.50	0.00	362,656.25	0.00	576,134.38	0.00	584,576.57	0.00	657,784.38	0.00	0.00	10,528,442.32
Investments - Revenue Account	1,887.36	0.00	1,656.56	0.00	2,936.61	0.00	4,689.05	0.00	16,701.98	0.00	22,826.02	0.00	0.00	1,013,201.55
Investments - Redemption Fund	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Investments - Prepayment Fund	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,919.01	0.00	0.00	14,825.26
Investments - Bond Service Fund	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	161,759.43
Investments - Supp. Reserve	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	120,000.00
Amount Available In Unit 1 DSF	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	622,987.47	622,987.47
Amount Available In Unit 2 DSF	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	323,279.06	323,279.06
Amount Available In Unit 3 DSF	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	218,337.20	218,337.20
Amount Available In Unit 4 DSF	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	670,053.64	670,053.64
Amount Available In Unit 5 (Bonds) DSF	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	577,434.52	577,434.52
Amount Available In Unit 5 (Notes) DSF	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4,687,888.59	4,687,888.59
Amount Available In Unit 7 DSF	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,516,138.03	2,516,138.03
Amount Available In Unit 8 DSF	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	946,416.29	946,416.29
Amount Available In Unit 9 DSF	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	601,278.55	601,278.55
Amount Available In Unit 10 DSF	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	683,529.41	683,529.41
Amount To Be Provided	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	196,303,813.24	196,303,813.24
Total Other Assets	224,768.61	2,229,135.66	187,633.26	2,813.16	365,592.86	11,326,603.13	580,823.43	63,584.02	601,278.55	1,245,365.35	683,529.41	0.00	208,151,156.00	234,929,366.77
TOTAL ASSETS	224,768.61	2,229,135.66	187,633.26	2,813.16	365,592.86	11,326,603.13	580,823.43	63,584.02	601,278.55	1,245,365.35	683,529.41	195,920,451.96	208,151,156.00	451,816,648.89

**West Villages Improvement District
Balance Sheet
As of December 31, 2024**

	Unit 7 (2021) Debt Service Fund	Unit 7 (2023) Capital Projects Fund	Unit 7 (2023) Debt Service Fund	Unit 8 (2021) Capital Projects Fund	Unit 8 (2021) Debt Service Fund	Unit 8 (2022) Capital Projects Fund	Unit 8 (2022) Debt Service Fund	Unit 9 (2023) Capital Projects Fund	Unit 9 (2023) Debt Service Fund	Unit 10 (2024) Capital Projects Fund	Unit 10 (2024) Debt Service Fund	General Fixed Assets Fund	Long Term Debt Fund	TOTAL
LIABILITIES & EQUITY														
Liabilities														
Current Liabilities														
Accounts Payable														
202,000 - Accounts Payable	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8,515,920.00
Total Accounts Payable	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8,515,920.00
Other Current Liabilities														
Miscellaneous Liabilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4,186,908.02
Resurfacing Reserves	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,388,061.08
Due To Bondholders	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4,505,551.00
Deferred Revenue	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Other Current Liabilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	11,080,520.10
Total Current Liabilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	19,596,440.10
Long Term Liabilities														
Dv/pr Advance Liability	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Unit 1 Special Assessment Debt	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	24,550,000.00	24,550,000.00
Unit 2 Special Assessment Debt (2019A-1)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	11,540,000.00	11,540,000.00
Unit 2 Special Assessment Debt (2019A-2)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	12,830,000.00	12,830,000.00
Unit 3 Special Assessment Debt	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	12,045,000.00	12,045,000.00
Unit 4 Special Assessment Debt	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	11,050,000.00	11,050,000.00
Unit 5 Bonds Special Assessment Debt	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10,450,000.00	10,450,000.00
Unit 5 Notes Special Assessment Debt	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	18,261,156.00	18,261,156.00
Unit 7 Parcel B Special Assessment Debt	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,230,000.00	1,230,000.00
Unit 7 Master Special Assessment Debt	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	28,920,000.00	28,920,000.00
Unit 7 (2021) Special Assessment Debt	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7,480,000.00	7,480,000.00
Unit 7 (2023) Special Assessment Debt	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4,805,000.00	4,805,000.00
Unit 8 (2021) Special Assessment Debt	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	12,195,000.00	12,195,000.00
Unit 8 (2022) Special Assessment Debt	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	16,760,000.00	16,760,000.00
Unit 10 (2024) Special Assessment Debt	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	19,150,000.00	19,150,000.00
Unit 9 (2023) Special Assessment Debt	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	16,885,000.00	16,885,000.00
Total Long Term Liabilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	208,151,156.00	208,151,156.00
Total Liabilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	208,151,156.00	227,747,596.10
Equity														
Net Income	-14,049.25	21,039.72	-45,210.57	33.17	-11,826.24	128,165.81	-18,336.56	-508.07	-230,683.68	23,559.65	-369,459.59	0.00	0.00	-3,767,456.80
Current Year Depreciation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Retained Earnings	238,817.86	2,208,095.94	232,843.83	2,779.99	377,419.10	11,198,437.32	599,159.99	64,092.09	831,962.23	1,221,805.70	1,052,989.00	-17,698,688.00	0.00	14,217,369.63
Investment in GFA	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	213,619,139.96	0.00	213,619,139.96
Total Equity	224,768.61	2,229,135.66	187,633.26	2,813.16	365,592.86	11,326,603.13	580,823.43	63,584.02	601,278.55	1,245,365.35	683,529.41	195,920,451.96	0.00	224,069,052.79
TOTAL LIABILITIES & EQUITY	224,768.61	2,229,135.66	187,633.26	2,813.16	365,592.86	11,326,603.13	580,823.43	63,584.02	601,278.55	1,245,365.35	683,529.41	195,920,451.96	208,151,156.00	451,816,648.89

**WEST VILLAGES
MASTER IRRIGATION UTILITY
FINANCIAL REPORT
FISCAL YEAR 2024/2025
DECEMBER 2024**

	Annual Budget 10/1/24 - 9/30/25	Year To Date Actual 10/1/24 - 12/31/24
REVENUES		
Well Availability Charge	349,127	50
Base Charge	196,750	28
Water Usage	935,704	167
Developer Subsidy (To Be Transferred To Dvlp Liability)	454,296	0
Special Assessment	404,255	0
Interest/Other Income	0	8,651
TOTAL REVENUE	\$ 2,340,132	\$ 8,896
EXPENDITURES		
Engineering	100,000	29,920
Professional Services (FDEP)	100,000	70,741
Engineering - Extraordinary	25,000	0
Management	80,000	20,000
Operations Administration	210,000	52,500
Legal	10,000	42
Legal - GP	350,000	98,759
Audit	5,000	0
Miscellaneous	15,000	484
Miscellaneous - Extraordinary GP	30,000	0
Utility System - Repairs & Maintenance	240,000	25,026
Electricity	175,000	47,855
Water (Purchase Reclaimed Water)	125,000	12,468
Fuel & Oil	20,000	0
Well Availability Payment	349,127	395,182
Base Charge Payment	196,750	0
Infrastructure Improvements	250,000	53,724
Cap Outlay - New Infr - Dev Fun (Transferred To CIP)	0	0
P/L Extraordinary Erosion	35,000	0
Depreciation	0	0
Fees/Discounts	24,255	0
Total Expenditures	\$ 2,340,132	\$ 806,701
EXCESS OR (SHORTFALL)	\$ -	\$ (797,805)

Notes

Capital Recovery Reserve Fund Balance As Of 12-31-24 is \$280,627

Well Availability Reserve Fund Balance As Of 12-31-24 is \$101,240

Utility Bank Balance As Of 12/31/24	\$ 783,724.76
Accounts Payable As Of 12/31/24	\$ 220,729.13
Accounts Receivable/Other Assets As Of 12/31/24	\$ 462,490.95
Fixed Assets As Of 12/31/24	\$ 3,401,074.78
Dvlpr Advance Liability As Of 12/31/24	\$ 4,282,798.67
Utility Available Funds As Of 12/31/24	\$ 143,762.69

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