

## PRELIMINARY LIMITED OFFERING MEMORANDUM DATED JUNE 9, 2025

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

NOT RATED

*In the opinion of Greenberg Traurig, P.A., Bond Counsel, assuming the accuracy of certain representations and certifications and continuing compliance with certain tax covenants, under existing statutes, regulations, rulings and court decisions, interest on the Series 2025 Bonds (as hereinafter defined) is excludable from gross income for federal income tax purposes and further, interest on the Series 2025 Bonds will not be an item of tax preference for purposes of the alternative minimum tax imposed on individuals. In the case of the alternative minimum tax imposed by Section 55(b)(2) of the Internal Revenue Code of 1986, as amended (the "Code") on applicable corporations (as defined in Section 59(k) of the Code), interest on the Series 2025 Bonds is not excluded from the determination of adjusted financial statement income. See "TAX MATTERS" herein for a description of certain other federal tax consequences of ownership of the Series 2025 Bonds. Bond Counsel is further of the opinion that the Series 2025 Bonds and the income thereon are not subject to taxation under the laws of the State of Florida, except as to estate taxes and taxes under Chapter 220, Florida Statutes, on interest, income or profits on debt obligations owned by corporations as defined in said Chapter 220. See "TAX MATTERS" herein.*

**\$9,625,000\***

### EDGEWATER EAST COMMUNITY DEVELOPMENT DISTRICT (Osceola County, Florida) Special Assessment Revenue Bonds, Series 2025 (Assessment Area Three)

**Dated: Date of Delivery**

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

The Edgewater East Community Development District Special Assessment Revenue Bonds, Series 2025 (Assessment Area Three) (the "Series 2025 Bonds") are being issued by the Edgewater East Community Development District (the "District") only in fully registered form, without coupons, in authorized denominations of \$5,000 and any integral multiple thereof.

The District is a local unit of special-purpose government of the State of Florida, created pursuant to the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the "Act") and by Ordinance No. 2020-49 duly enacted by the Board of County Commissioners (the "Commissioners") of Osceola County, Florida (the "County") on June 15, 2020 and effective on June 16, 2020, as amended by Ordinance No. 2020-66, Ordinance No. 2021-86 and Ordinance No. 2023-15 duly enacted by the Commissioners of the County on September 21, 2020, December 13, 2021 and December 18, 2023, respectively, and effective on September 23, 2020, December 16, 2021 and December 27, 2023, respectively. The District was created for the purpose of delivering certain community development services and facilities for the benefit of District Lands (as hereinafter defined), and has previously determined to undertake the acquisition and/or construction of public improvements and community facilities as set forth in the Act for the special benefit of certain District Lands, including the lands designated as Assessment Area Three (as hereinafter defined).

The Series 2025 Bonds will bear interest at the fixed rates set forth in the inside cover hereof, calculated on the basis of a 360-day year composed of twelve thirty-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 of The Depository Trust Company ("DTC"). Purchases of beneficial interests in the Series 2025 Bonds will be made in book-entry-only form and purchasers of beneficial interests in the Series 2025 Bonds will not receive physical bond certificates. For so long as the book-entry only system is maintained, the principal of and interest on the Series 2025 Bonds will be paid from the sources provided pursuant to the Indenture (as defined below) and described herein by U.S. Bank Trust Company, National Association, a national banking association duly organized and existing under the laws of the United States of America and having a designated corporate trust office in Fort Lauderdale, Florida, as trustee (the "Trustee"), directly to Cede & Co., as nominee of DTC, as the registered owner thereof. Disbursements of such payments to the Direct Participants (as defined herein) is the responsibility of DTC and disbursements of such payments to the beneficial owners is the responsibility of the Direct Participants and Indirect Participants (as defined herein), as more fully described herein. Any purchaser of a beneficial interest in a Series 2025 Bond, must maintain an account with a broker or dealer who is, or acts through, a Direct Participant in order to receive payment of the principal of and interest on such Series 2025 Bond. See "DESCRIPTION OF THE SERIES 2025 BONDS – Book-Entry Only System" herein.

The Series 2025 Bonds are being issued by the District pursuant to the Act, Resolutions No. 2020-28 and No. 2025-07 duly adopted by the Board of Supervisors of the District (the "Board") on July 16, 2020 and January 9, 2025, respectively (collectively, the "Bond Resolution"), and secured pursuant to a Master Trust Indenture dated as of March 1, 2021 (the "Master Indenture"), as supplemented by a Third Supplemental Trust Indenture dated as of June 1, 2025 (the "Third Supplemental Indenture" and, together with the Master Indenture, the "Indenture"), each by and between the District and the Trustee. Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Indenture.

Proceeds of the Series 2025 Bonds will be used to provide funds to: (i) pay all or a portion of the costs of the planning, financing, acquisition, construction, equipping and installation of the Assessment Area Three Project (as hereinafter defined), (ii) pay the costs of issuance of the Series 2025 Bonds, (iii) fund a portion of the interest coming due on the Series 2025 Bonds and (iv) fund a deposit to the Series 2025 Reserve Account (as hereinafter defined) in the amount equal to the Series 2025 Reserve Requirement (as hereinafter defined). See "THE CAPITAL IMPROVEMENT PLAN AND THE ASSESSMENT AREA THREE PROJECT" and "ESTIMATED SOURCES AND USES OF FUNDS" herein.

The Series 2025 Bonds will be secured by a pledge of the Series 2025 Pledged Revenues. "Series 2025 Pledged Revenues" shall mean with respect to the Series 2025 Bonds (a) all revenues received by the District from Series 2025 Special Assessments levied and collected on the assessable lands within Assessment Area Three, benefitted by the Assessment Area Three Project, including, without limitation, amounts received from any foreclosure proceeding for the enforcement of collection of such Series 2025 Special Assessments or from the issuance and sale of tax certificates with respect to such Series 2025 Special Assessments, and (b) all moneys on deposit in the Funds and Accounts established under the Third Supplemental Indenture created and established with respect to or for the benefit of the Series 2025 Bonds; provided, however, that Series 2025 Pledged Revenues shall not include (A) any moneys transferred to the Series 2025 Rebate Fund and investment earnings thereon, (B) moneys on deposit in the Series 2025 Costs of Issuance Account of the Acquisition and Construction Fund, and (C) "special assessments" levied and collected by the District under Section 190.022 of the Act for maintenance purposes or "maintenance assessments" levied and collected by the District under Section 190.021(3) of the Act (it being expressly understood that the lien and pledge of the Third Supplemental Indenture shall not apply to any of the moneys described in the foregoing clauses (A), (B) and (C) of this proviso). See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2025 BONDS" herein.

The Series 2025 Bonds are subject to optional, mandatory sinking fund and extraordinary mandatory redemption at the times, in the amounts, and at the redemption prices as more fully described herein. See "DESCRIPTION OF THE SERIES 2025 BONDS — Redemption Provisions" herein.

THE SERIES 2025 BONDS ARE LIMITED OBLIGATIONS OF THE DISTRICT PAYABLE SOLELY FROM THE SERIES 2025 PLEDGED REVENUES PLEDGED THEREFOR UNDER THE INDENTURE AND NEITHER THE PROPERTY, THE FULL FAITH AND CREDIT, NOR THE TAXING POWER OF THE DISTRICT, THE CITY OF ST. CLOUD, FLORIDA (THE "CITY"), THE COUNTY, THE STATE OF FLORIDA (THE "STATE") OR ANY OTHER POLITICAL SUBDIVISION THEREOF, IS PLEDGED AS SECURITY FOR THE PAYMENT OF THE SERIES 2025 BONDS, EXCEPT THAT THE DISTRICT IS OBLIGATED UNDER THE INDENTURE TO LEVY AND TO EVIDENCE AND CERTIFY, OR CAUSE TO BE CERTIFIED, FOR COLLECTION, SERIES 2025 SPECIAL ASSESSMENTS TO SECURE AND PAY THE SERIES 2025 BONDS. THE SERIES 2025 BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE DISTRICT, THE CITY, THE COUNTY, THE STATE, OR ANY OTHER POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION. SEE "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2025 BONDS" HEREIN.

The purchase of the Series 2025 Bonds involves a degree of risk (See "BONDOWNERS' RISKS" herein) and are not suitable for all investors (See "SUITABILITY FOR INVESTMENT" herein). The Underwriter named below is limiting this offering to "Accredited Investors" within the meaning of Chapter 517, Florida Statutes, as amended, and the Rules of the Florida Department of Financial Services promulgated thereunder. The limitation of the initial offering to Accredited Investors does not denote restrictions of transfer in any secondary market for the Series 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 certain information for quick reference only. It is not a summary of the Series 2025 Bonds. Investors must read this entire Limited Offering Memorandum to obtain information essential to the making of an informed investment decision.

The Series 2025 Bonds are offered for delivery when, as and if issued by the District and accepted by the Underwriter, subject to the receipt of the opinion of Greenberg Traurig, P.A., Miami, Florida, Bond Counsel, as to the validity of the Series 2025 Bonds and the excludability of interest thereon from gross income for federal income tax purposes. Certain legal matters will be passed upon for the Underwriter by its counsel, Squire Patton Boggs (US) LLP, Miami, Florida, for the District by its counsel, Kutak Rock LLP, Tallahassee, Florida, and for the Developer (as herein defined) by its counsel, Rogers Towers, P.A., St. Augustine, 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.

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

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

**\$9,625,000 \***

**Edgewater East Community Development District  
Special Assessment Revenue Bonds, Series 2025  
(Assessment Area Three)**

\$ _____	–	_____ %	Series 2025 Term Bond due May 1, 20__	–	Yield _____ %	–	Price _____	–	CUSIP Number _____	†
\$ _____	–	_____ %	Series 2025 Term Bond due May 1, 20__	–	Yield _____ %	–	Price _____	–	CUSIP Number _____	†
\$ _____	–	_____ %	Series 2025 Term Bond due May 1, 20__	–	Yield _____ %	–	Price _____	–	CUSIP Number _____	†
\$ _____	–	_____ %	Series 2025 Term Bond due May 1, 20__	–	Yield _____ %	–	Price _____	–	CUSIP Number _____	†

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\* Preliminary, subject to change.

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## **EDGEWATER EAST COMMUNITY DEVELOPMENT DISTRICT**

### **BOARD OF SUPERVISORS**

Noah Breakstone\*, Chairperson  
Kevin Mays\*, Vice-Chairperson  
Kevin Kramer\*, Assistant Secretary  
Justin Onorato\*, Assistant Secretary  
Jody Pino\*, Assistant Secretary

---

\* Employee of, or affiliated with, BTI (as herein defined).

### **DISTRICT MANAGER AND METHODOLOGY CONSULTANT**

Wrathell, Hunt and Associates, LLC  
Boca Raton, Florida

### **DISTRICT COUNSEL**

Kutak Rock LLP  
Tallahassee, Florida

### **DISTRICT ENGINEER**

Hanson, Walter & Associates, Inc.  
Kissimmee, Florida

### **BOND COUNSEL**

Greenberg Traurig, P.A.  
Miami, Florida

NO DEALER, BROKER, SALESPERSON OR OTHER PERSON HAS BEEN AUTHORIZED BY THE DISTRICT TO GIVE ANY INFORMATION OR MAKE ANY REPRESENTATIONS, OTHER THAN THOSE CONTAINED IN THIS LIMITED OFFERING MEMORANDUM, AND IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE DISTRICT. THIS LIMITED OFFERING MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY OF THE SERIES 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, THE DISTRICT MANAGER, THE DISTRICT ENGINEER, PUBLIC DOCUMENTS, RECORDS AND OTHER SOURCES, WHICH SOURCES ARE BELIEVED TO BE RELIABLE BUT WHICH INFORMATION IS NOT GUARANTEED AS TO ACCURACY OR COMPLETENESS BY, AND IS NOT TO BE CONSTRUED AS A REPRESENTATION OF, THE UNDERWRITER NAMED ON THE COVER PAGE OF THIS LIMITED OFFERING MEMORANDUM. THE UNDERWRITER HAS REVIEWED THE INFORMATION IN THIS LIMITED OFFERING MEMORANDUM IN ACCORDANCE WITH, AND AS PART OF, ITS RESPONSIBILITIES TO INVESTORS UNDER THE UNITED STATES FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THIS TRANSACTION. THE INFORMATION AND EXPRESSIONS OF OPINION HEREIN ARE SUBJECT TO CHANGE WITHOUT NOTICE, AND NEITHER THE DELIVERY OF THIS LIMITED OFFERING MEMORANDUM, NOR ANY SALE MADE HEREUNDER, SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE DISTRICT, THE DEVELOPER OR IN THE STATUS OF THE DEVELOPMENT OR THE ASSESSMENT AREA THREE 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 (THE "SECURITIES ACT") NOR HAS THE INDENTURE BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON CERTAIN EXEMPTIONS SET FORTH IN SUCH ACTS. THE REGISTRATION, QUALIFICATION OR EXEMPTION OF THE SERIES 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 CITY, 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 AND THE DEVELOPER'S CONTROL. BECAUSE THE DISTRICT AND THE DEVELOPER CANNOT PREDICT ALL FACTORS THAT MAY AFFECT FUTURE DECISIONS, ACTIONS, EVENTS, OR FINANCIAL CIRCUMSTANCES, WHAT ACTUALLY HAPPENS MAY BE DIFFERENT FROM WHAT IS INCLUDED IN FORWARD-LOOKING STATEMENTS.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. NEITHER THE DISTRICT NOR THE DEVELOPER PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN ANY OF ITS EXPECTATIONS OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR, OTHER THAN AS DESCRIBED UNDER "CONTINUING DISCLOSURE" HEREIN.

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

ALL TIME-SENSITIVE REPRESENTATIONS, STATEMENTS AND REFERENCES IN THIS LIMITED OFFERING MEMORANDUM ARE MADE AS OF THE DATE OF THIS LIMITED OFFERING MEMORANDUM UNLESS OTHERWISE EXPRESSLY INDICATED. SUBJECT IN ALL RESPECTS TO APPLICABLE SECURITIES LAWS, THE DELIVERY OF THIS LIMITED OFFERING MEMORANDUM DOES NOT IMPLY THAT THE INFORMATION HEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO THE DATE HEREOF.

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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APPENDIX E – ASSESSMENT METHODOLOGY

APPENDIX F – DISTRICT’S FINANCIAL STATEMENTS

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## **LIMITED OFFERING MEMORANDUM**

**\$9,625,000\***

**EDGEWATER EAST COMMUNITY DEVELOPMENT DISTRICT  
(OSCEOLA COUNTY, FLORIDA)  
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2025  
(ASSESSMENT AREA THREE)**

### **INTRODUCTION**

The purpose of this Limited Offering Memorandum is to provide certain information in connection with the offering for sale by Edgewater East Community Development District (the “District”) of its \$9,625,000\* aggregate principal amount of Edgewater East Community Development District Special Assessment Revenue Bonds, Series 2025 (Assessment Area Three) (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 INITIAL OFFERING OF THE SERIES 2025 BONDS TO ONLY ACCREDITED INVESTORS WITHIN THE MEANING OF THE RULES OF THE FLORIDA DEPARTMENT OF FINANCIAL SERVICES. THE LIMITATION OF THE INITIAL OFFERING TO ACCREDITED INVESTORS DOES NOT DENOTE RESTRICTIONS ON TRANSFER IN ANY SECONDARY MARKET FOR THE SERIES 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.

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

The District is a local unit of special-purpose government of the State of Florida (the “State”), created pursuant to the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the “Act”) and Ordinance No. 2020-49 duly enacted by the Board of County Commissioners (the “Commissioners”) of Osceola County, Florida (the “County”) on June 15, 2020 and effective on June 16, 2020, as amended by Ordinance No. 2020-66, Ordinance No. 2021-86 and Ordinance No. 2023-15 duly enacted by the Commissioners of the County on September 21, 2020, December 13, 2021 and December 18, 2023, respectively, and effective on September 23, 2020, December 16, 2021 and December 27, 2023, respectively. The District was created for the purpose of delivering certain community development services and facilities for the benefit of District Lands (as hereinafter defined), and has previously determined to undertake the acquisition and/or construction of public improvements and community facilities as set forth in the Act for the special benefit of certain District Lands, including the lands designated as Assessment Area Three (as hereinafter defined). The Act authorizes the District to issue bonds for the purpose of, among others, financing, funding, refinancing, planning, establishing, acquiring, constructing or reconstructing, enlarging or extending, equipping water management, water supply, sewer and wastewater management, bridges or culverts, public roads, streetlights, real property and other basic infrastructure projects within or without the boundaries of the District as provided in the Act.

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\* Preliminary, subject to change.

For more complete information about the District, its Board of Supervisors (the “Board”) and the District Manager, see “THE DISTRICT” herein.

The boundaries of the District currently include approximately 1,390.074+/- gross acres of land (the “District Lands”), located within the City of St. Cloud, Florida (the “City”). The District Lands are being developed as a residential community known as “Crossprairie” and referred to herein as the “Development.” At build-out, the Development is currently planned to contain approximately 4,608 residential units consisting of 2,473+/- single-family detached units, 1,210+/- townhome/duplex attached units and 925+/- multi-family apartment units.

The District has created multiple separate assessment areas to facilitate the financing of the Development. Assessment Area One consists of approximately 208.91+/- gross acres within parcel ED-4 and is planned to contain approximately 1,073+/- residential units (“Assessment Area One”). Assessment Area Two consists of approximately 687.69+/- gross acres within parcels ED-5, ED-2, and ED-6 North and is planned to contain 2,039+/- residential units (“Assessment Area Two”). Assessment Area Three consists of approximately 286.8+/- gross acres within parcel ED-6 South and is planned to contain approximately 679+/- residential units (“Assessment Area Three”).

The District is issuing its Series 2025 Bonds to finance a portion of the Assessment Area Three Project. The Series 2025 Bonds are payable from and secured solely by the Series 2025 Pledged Revenues, which consists primarily of revenues from the Series 2025 Special Assessments (as hereinafter defined). The Series 2025 Special Assessments will be initially levied on the 286.8+/- gross acres of land within Assessment Area Three, as is set forth in the Assessment Methodology.

The District previously issued its (i) \$19,895,000 aggregate principal amount of Special Assessment Revenue Bonds, Series 2021 (Assessment Area One) (the “Series 2021 Bonds”) to finance a portion of the Assessment Area One Project, which consists of master public infrastructure improvements, and (ii) \$33,925,000 aggregate principal amount of Special Assessment Revenue Bonds, Series 2022 (Assessment Area Two) (the “Series 2022 Bonds”) to finance a portion of the Assessment Area Two Project, which consists of master public infrastructure improvements. The special assessments that secure the Series 2021 Bonds and the Series 2022 Bonds are herein referred to as the “Series 2021 Special Assessments” and the “Series 2022 Special Assessments,” respectively. Additional series of bonds may be issued in the future in order to finance future phases of the Development. The Series 2021 Bonds and the Series 2022 Bonds are, and such additional series of bonds will be, secured by special assessments levied on lands which are separate and distinct from the lands securing the Series 2025 Bonds. See “SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2025 BONDS,” “THE DEVELOPMENT – Development Plan/Status,” “ASSESSMENT METHODOLOGY” and “APPENDIX E – ASSESSMENT METHODOLOGY” herein.

Edgewater Property Holdings, LLC, a Delaware limited liability company doing business in Florida as Edgewater Property Florida Holdings, LLC (the “Developer”), is the developer and landowner of the 286.8+/- gross acres of land currently within the boundaries of Assessment Area Three. The Developer and/or the District will install the master infrastructure improvements; and the Developer intends to sell permitted, undeveloped parcels to Land Purchasers (as hereinafter defined) or other builders, who will, in turn, install the Neighborhood Infrastructure (as hereinafter defined) for the lands securing the Series 2025 Bonds.

As more particularly described herein, the Developer has entered into contracts for an aggregate of 605 of the 679 planned lots within Assessment Area Three with: (i) Tamarack (as defined herein) for the sale of land planned for 224+/- lots located within Assessment Area Three, and (ii) M/I Homes (as defined herein) for the sale of land planned for 381+/- lots located within Assessment Area Three, each with master

infrastructure installed (collectively, the “Land Sale Contracts”). Tamarack and M/I Homes are collectively referred to herein as the “Land Purchasers.” The Developer expects to enter into a contract with one or more homebuilders for the remaining 74 planned lots within Assessment Area Three by the fourth calendar quarter of 2025. Pursuant to an agreement between Tamarack and K. Hovnanian’s Four Seasons at Crossprairie, LLC, a Florida limited liability company (“K. Hovnanian”), Tamarack has agreed to install the parcel infrastructure for the 224 lots subject to the Tamarack Contract and convey such finished lots to K. Hovnanian. K. Hovnanian will market and construct the 224 planned homes for sale to homebuyers. See “THE DEVELOPMENT” and “THE DEVELOPER” herein for additional information regarding the Developer and the Development.

The Series 2025 Bonds are being issued by the District pursuant to the Act, Resolutions No. 2020-28 and No. 2025-07 duly adopted by the Board of Supervisors of the District (the “Board”) on July 16, 2020 and January 9, 2025, respectively (collectively, the “Bond Resolution”), and secured pursuant a Master Trust Indenture dated as of March 1, 2021 (the “Master Indenture”), as supplemented by a Third Supplemental Trust Indenture dated as of June 1, 2025 (the “Third Supplemental Indenture” and, together with the Master Indenture, the “Indenture”), each by and between the District and U.S. Bank Trust Company, National Association, as trustee (the “Trustee”). Reference is made to the Indenture for a statement of the authority for, and the terms and provisions of, the Series 2025 Bonds. All capitalized terms used in this Limited Offering Memorandum that are not defined herein shall have the meanings assigned to them in the Indenture. See “APPENDIX B – COPY OF MASTER INDENTURE AND PROPOSED FORM OF THIRD SUPPLEMENTAL INDENTURE” herein.

Proceeds of the Series 2025 Bonds will be used to provide funds to: (i) pay all or a portion of the costs of the planning, financing, acquisition, construction, equipping and installation of the Assessment Area Three Project (as hereinafter defined), (ii) pay the costs of issuance of the Series 2025 Bonds, (iii) fund a portion of the interest coming due on the Series 2025 Bonds and (iv) fund a deposit to the Series 2025 Reserve Account (as hereinafter defined) in the amount equal to the Series 2025 Reserve Requirement (as hereinafter defined). See “THE CAPITAL IMPROVEMENT PLAN AND THE ASSESSMENT AREA THREE PROJECT” and “ESTIMATED SOURCES AND USES OF FUNDS” herein.

THE SERIES 2025 BONDS ARE LIMITED OBLIGATIONS OF THE DISTRICT PAYABLE SOLELY FROM THE SERIES 2025 PLEDGED REVENUES PLEDGED THEREFOR UNDER THE INDENTURE AND NEITHER THE PROPERTY, THE FULL FAITH AND CREDIT, NOR THE TAXING POWER OF THE DISTRICT, THE CITY, THE COUNTY, THE STATE OR ANY OTHER POLITICAL SUBDIVISION THEREOF, IS PLEDGED AS SECURITY FOR THE PAYMENT OF THE SERIES 2025 BONDS, EXCEPT THAT THE DISTRICT IS OBLIGATED UNDER THE INDENTURE TO LEVY AND TO EVIDENCE AND CERTIFY, OR CAUSE TO BE CERTIFIED, FOR COLLECTION, SERIES 2025 SPECIAL ASSESSMENTS TO SECURE AND PAY THE SERIES 2025 BONDS. THE SERIES 2025 BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE DISTRICT, THE CITY, THE COUNTY, THE STATE, OR ANY OTHER POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION. SEE “SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2025 BONDS” HEREIN.

There follows in this Limited Offering Memorandum brief descriptions of the District, the Development, the Developer and the District’s Capital Improvement Plan, including the Assessment Area Three Project, together with 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 statutes, and all references to the Series 2025 Bonds are qualified by reference to the definitive forms thereof and the information with respect thereto contained in the Indenture.

A copy of the Master Indenture and proposed form of the Third Supplemental Indenture appear as Appendix B attached hereto.

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

## **DESCRIPTION OF THE SERIES 2025 BONDS**

### **General Description**

The Series 2025 Bonds are issuable only as fully registered bonds, without coupons, in the denominations of \$5,000 and any integral multiple thereof. The Series 2025 Bonds will mature, subject to the redemption provisions set forth herein, on the dates and in the amounts set forth on the inside cover page hereof.

The Series 2025 Bonds will be dated as of the date of initial delivery. Interest on the Series 2025 Bonds shall be payable on each Interest Payment Date to maturity or prior redemption. “Interest Payment Date” means May 1 and November 1 of each year, commencing November 1, 2025. Interest on the Series 2025 Bonds will be computed on the basis of a 360-day year consisting of twelve thirty-day months. “Quarterly Redemption Date” means each February 1, May 1, August 1 and November 1 of each year.

Upon initial issuance, the ownership of the Series 2025 Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company (“DTC”), and purchases of beneficial interests in the Series 2025 Bonds will be made in book-entry only form. 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 of the Florida Department of Financial Services promulgated thereunder, although there is no limitation on resales of the Series 2025 Bonds. See “DESCRIPTION OF THE SERIES 2025 BONDS – Book-Entry Only System” and “SUITABILITY FOR INVESTMENT” below.

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

### **Redemption Provisions**

Optional Redemption. The Series 2025 Bonds maturing after May 1, 20\_\_ may, at the option of the District be called for redemption prior to maturity as a whole or in part, at any time, on or after \_\_\_\_\_ 1, 20\_\_ (less than all Series 2025 Bonds of a maturity to be selected by lot), at a Redemption Price equal to the principal amount of Series 2025 Bonds to be redeemed, plus accrued interest from the most recent Interest Payment Date through which interest has been paid to the redemption date from moneys on deposit in the Series 2025 Optional Redemption Subaccount of the Series 2025 Bond Redemption Account. If such optional redemption shall be in part, the District shall select such principal amount of Series 2025 Bonds to be optionally redeemed from each maturity so that debt service on the remaining Outstanding Series 2025 Bonds is substantially level.

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**Mandatory Redemption.** The Series 2025 Bonds maturing on May 1, 20\_\_ are subject to mandatory sinking fund redemption from the moneys on deposit in the Series 2025 Sinking Fund Account on May 1 in the years and in the mandatory sinking fund redemption amounts set forth below at a Redemption Price of 100% of their principal amount plus accrued interest to the date of redemption.

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

\*

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\*Maturity

The Series 2025 Bonds maturing on May 1, 20\_\_ are subject to mandatory sinking fund redemption from the moneys on deposit in the Series 2025 Sinking Fund Account on May 1 in the years and in the mandatory sinking fund redemption amounts set forth below at a Redemption Price of 100% of their principal amount plus accrued interest to the date of redemption.

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

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\*Maturity

The Series 2025 Bonds maturing on May 1, 20\_\_ are subject to mandatory sinking fund redemption from the moneys on deposit in the Series 2025 Sinking Fund Account on May 1 in the years and in the mandatory sinking fund redemption amounts set forth below at a Redemption Price of 100% of their principal amount plus accrued interest to the date of redemption.

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

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\*Maturity

The Series 2025 Bonds maturing on May 1, 20\_\_ are subject to mandatory sinking fund redemption from the moneys on deposit in the Series 2025 Sinking Fund Account on May 1 in the years and in the mandatory sinking fund redemption amounts set forth below at a Redemption Price of 100% of their principal amount plus accrued interest to the date of redemption.

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

\*

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\*Maturity

Except as otherwise provided in the Indenture, if less than all of the Series 2025 Bonds subject to redemption shall be called for redemption, the particular such Series 2025 Bonds or portions of such Series 2025 Bonds to be redeemed shall be selected by lot by the Registrar as provided in the Indenture.

Extraordinary Mandatory Redemption. The Series 2025 Bonds are subject to extraordinary mandatory redemption prior to maturity by the District in whole or in part, on any date (other than in the case of clause (i) below, which extraordinary mandatory redemption in part must occur on a Quarterly Redemption Date), at a Redemption Price equal to 100% of the principal amount of the Series 2025 Bonds to be redeemed, plus interest accrued to the redemption date, as follows:

(i) from Series 2025 Prepayment Principal deposited into the Series 2025 Prepayment Subaccount of the Series 2025 Bond Redemption Account following the payment in whole or in part of Series 2025 Special Assessments on any assessable property within the Assessment Area Three within the District in accordance with the provisions of the Third Supplemental Trust Indenture, together with any excess moneys transferred by the Trustee from the Series 2025 Reserve Account to the Series 2025 Prepayment Subaccount as a result of such Prepayment and pursuant to the Third Supplemental Trust Indenture. If such redemption shall be in part, the District shall select such principal amount of Series 2025 Bonds to be redeemed from each maturity so that debt service on the remaining Outstanding Series 2025 Bonds is substantially level.

(ii) from moneys, if any, on deposit in the Funds, Accounts and subaccounts held by the Trustee under the Third Supplemental Trust Indenture (other than the Series 2025 Rebate Fund and the Series 2025 Acquisition and Construction Account) sufficient to pay and redeem all Outstanding Series 2025 Bonds and accrued interest thereon to the redemption date or dates in addition to all amounts owed to Persons under the Master Indenture.

(iii) upon the Completion Date, from any funds remaining on deposit in the Series 2025 Acquisition and Construction Account in accordance with the provisions of the Third Supplemental Trust Indenture, not otherwise reserved to complete the Assessment Area Three Project and transferred to the Series 2025 General Redemption Subaccount of the Series 2025 Bond Redemption Account, together with moneys deposited therein in accordance with the provisions of the Third Supplemental Trust Indenture, as a result of the reduction of the Series 2025 Reserve Requirement. If such redemption shall be in part, the District shall select such principal amount of Series 2025 Bonds to be redeemed from each maturity so that debt service on the remaining Outstanding Series 2025 Bonds is substantially level.

Except as otherwise provided in the Indenture, if less than all of the Series 2025 Bonds of a maturity subject to redemption shall be called for redemption, the particular such Series 2025 Bonds or portions of such Series 2025 Bonds to be redeemed shall be selected by lot by the Registrar as provided in the Indenture.

Notice of Redemption. Notice of each redemption of the Series 2025 Bonds is required to be sent by Electronic Means or mailed by the Registrar, postage prepaid, not less than thirty (30) nor more than sixty (60) days prior to the redemption date to each Registered Owner of the Series 2025 Bonds to be redeemed at the address of such Registered Owner recorded on the bond register maintained by the Registrar. The District may provide that the any optional redemption of Series 2025 Bonds issued under the Indenture may be subject to certain conditions; provided that the notice of such conditional optional redemption must expressly state that such optional redemption is conditional and describe the conditions for such redemption. 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 Registered 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 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.

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

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

The Depository Trust Company ("DTC") 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 Series 2025 Bond 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 an S&P Global Ratings, a division of S&P Global Inc. rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of Series 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 the Series 2025 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 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 Series 2025 Bond 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 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 payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Trustee, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District and/or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE SERIES 2025 BONDS, AS NOMINEE OF DTC, REFERENCES HEREIN TO THE OWNERS OR HOLDERS OF THE SERIES 2025 BONDS OR REGISTERED OWNERS OF THE SERIES 2025 BONDS SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE BONDS.

The District can make no assurances that DTC will distribute payments of principal of, redemption price, if any, or interest on the Series 2025 Bonds to the Direct Participants, or that Direct and Indirect Participants will distribute payments of principal of, redemption price, if any, or interest on the Series 2025 Bonds or redemption notices to the Beneficial Owners of such Series 2025 Bonds or that they will do so on a timely basis, or that DTC or any of its Participants will act in a manner described in this Limited Offering Memorandum. The District is not responsible or liable for the failure of DTC to make any payment to any Direct Participant or failure of any Direct or Indirect Participant to give any notice or make any payment to a Beneficial Owner in respect to the Series 2025 Bonds or any error or delay relating thereto.

## **SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2025 BONDS**

### **General**

THE SERIES 2025 BONDS ARE LIMITED OBLIGATIONS OF THE DISTRICT PAYABLE SOLELY FROM THE SERIES 2025 PLEDGED REVENUES PLEDGED THEREFOR UNDER THE INDENTURE AND NEITHER THE PROPERTY, THE FULL FAITH AND CREDIT, NOR THE TAXING POWER OF THE DISTRICT, THE CITY, THE COUNTY, THE STATE OR ANY OTHER POLITICAL SUBDIVISION THEREOF, IS PLEDGED AS SECURITY FOR THE PAYMENT OF THE SERIES 2025 BONDS, EXCEPT THAT THE DISTRICT IS OBLIGATED UNDER THE INDENTURE TO LEVY AND TO EVIDENCE AND CERTIFY, OR CAUSE TO BE CERTIFIED, FOR COLLECTION, SERIES 2025 SPECIAL ASSESSMENTS TO SECURE AND PAY THE SERIES 2025 BONDS. THE SERIES 2025 BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE DISTRICT, THE CITY, THE COUNTY, THE STATE, OR ANY OTHER POLITICAL SUBDIVISION

THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION.

The Series 2025 Bonds will be secured by a pledge of the Series 2025 Pledged Revenues. “Series 2025 Pledged Revenues” shall mean with respect to the Series 2025 Bonds (a) all revenues received by the District from Series 2025 Special Assessments levied and collected on the assessable lands within Assessment Area Three, benefitted by the Assessment Area Three Project, including, without limitation, amounts received from any foreclosure proceeding for the enforcement of collection of such Series 2025 Special Assessments or from the issuance and sale of tax certificates with respect to such Series 2025 Special Assessments, and (b) all moneys on deposit in the Funds and Accounts established under the Third Supplemental Indenture created and established with respect to or for the benefit of the Series 2025 Bonds; provided, however, that Series 2025 Pledged Revenues shall not include (A) any moneys transferred to the Series 2025 Rebate Fund and investment earnings thereon, (B) moneys on deposit in the Series 2025 Costs of Issuance Account of the Acquisition and Construction Fund, and (C) “special assessments” levied and collected by the District under Section 190.022 of the Act for maintenance purposes or “maintenance assessments” levied and collected by the District under Section 190.021(3) of the Act (it being expressly understood that the lien and pledge of the Third Supplemental Indenture shall not apply to any of the moneys described in the foregoing clauses (A), (B) and (C) of this proviso).

The “Series 2025 Special Assessments” shall mean the Special Assessments levied on Assessment Area Three as a result of the District’s acquisition and/or construction of the Assessment Area Three Project, corresponding in amount to the debt service on the Series 2025 Bonds and designated as such in the methodology report relating thereto. The Series 2025 Special Assessments correspond in amount to the debt service on the Series 2025 Bonds and are designated as such in the Assessment Methodology. The Assessment Methodology, which describes the methodology for allocating the Series 2025 Special Assessments to the assessable lands within Assessment Area Three is included as APPENDIX E hereto. The Series 2025 Special Assessments were levied pursuant to Section 190.022 of the Act, and the Assessment Resolution (as defined in the Third Supplemental Indenture) and assessment proceedings conducted by the District (together with the Assessment Resolution, the “Assessment Proceedings”). Non-ad valorem assessments are not based on millage and are not taxes, but are a lien against the homestead as permitted in Section 4, Article X of the Florida State Constitution. The Series 2025 Special Assessments will constitute a lien against the land as to which the Series 2025 Special Assessments are imposed. See “ENFORCEMENT OF ASSESSMENT COLLECTIONS” and “ASSESSMENT METHODOLOGY” herein.

As described below, the Series 2025 Bonds are secured by the Series 2025 Special Assessments levied solely on the assessable lands within Assessment Area Three and no special assessments securing the Series 2025 Bonds will be levied on any other lands within the District.

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## Assessment Methodology/Projected Level of District Assessments

As set forth in the Assessment Methodology, the Series 2025 Bonds will be secured by the Series 2025 Special Assessments, which will initially be levied on the approximately 286.8+/- gross acres of land which compose Assessment Area Three. As platting of the residential units within Assessment Area Three occurs, the Series 2025 Special Assessments will be assigned to the 679+/- residential units planned for Assessment Area Three on a first platted, first assigned basis as set forth in the Assessment Methodology attached hereto. To the extent that any residential land within Assessment Area Three which has not been platted is sold, the Series 2025 Special Assessments will be assigned to such parcel at the time of the sale based upon the development rights associated with such parcel that are transferred from seller to buyer. Assuming that all of the residential units are developed and platted, the following table summarizes the allocation of the Series 2025 Special Assessments on a per unit basis.

<u>Product Type</u>	<u>No. of Units</u>	<u>Annual Series 2025 Special Assessments</u> <u>Per Unit</u> <sup>*/**</sup>	<u>Series 2025 Bonds</u> <u>Par Debt Per Unit</u> <sup>*</sup>
Townhome/Duplex	223	\$ 797.55	\$10,321.97
Single-Family 2 <sup>(1)</sup>	109	1,042.55	13,492.77
Single-Family 1 <sup>(2)</sup>	347	1,303.19	16,865.96
<b>Total</b>	<b>679</b>		

\* Preliminary, subject to change.

\*\* This amount is grossed up to include early payment discounts and County collection fees, currently 6%.

<sup>(1)</sup> Single-Family 2 represents detached product with lot width under 50' ("Single-Family 2").

<sup>(2)</sup> Single-Family 1 represents detached product with lot width 50' wide or greater ("Single-Family 1").

The District anticipates levying assessments to cover its operation and maintenance costs that are estimated to range from approximately \$500 to \$650 per residential unit annually, which amounts are subject to change. In addition, residents will be required to pay homeowners' association fees which are currently estimated to be \$1,500 per residential unit annually, which amount is subject to change. The land within the District has been and is expected to continue to be subject to taxes and assessments imposed by taxing authorities other than the District. The total millage rate imposed on taxable properties in the District for 2024 was approximately 17.8485 mills, which millage rate is subject to change in any tax years after 2024. These taxes would be payable in addition to the Series 2025 Special Assessments and any other assessments levied by the District, which amount is subject to change. In addition, exclusive of voter approved millages levied for general obligation bonds, as to which no limit applies, the City, the County and the School District of Osceola County, Florida may each levy ad valorem taxes upon the land in the District. The District has no control over the level of ad valorem taxes and/or special assessments levied by other taxing authorities. It is possible that in future years taxes levied by these other entities could be substantially higher than in the current year.

## Prepayment of Special Assessments

Pursuant to the Indenture, at any time any owner of property subject to the Series 2025 Special Assessments may, at its option, or as a result of acceleration of the Series 2025 Special Assessments because of non-payment thereof, shall, or by operation of law, require the District to reduce or release and extinguish the lien upon its property by virtue of the levy of the Series 2025 Special Assessments by paying or causing there to be paid, to the District all or a portion of the Series 2025 Special Assessment, which shall constitute Series 2025 Prepayment Principal, plus, accrued interest to the next succeeding Quarterly Redemption Date (or the first succeeding Quarterly Redemption Date that is at least forty-five (45) days after such Prepayment, if such Prepayment is made within forty-five (45) calendar days before the next succeeding Quarterly Redemption Date, as the case may be), attributable to the property subject to the Series 2025 Special Assessments owned by such owner. In connection with such Prepayments, in the event the amount

in the Series 2025 Reserve Account will exceed the Reserve Requirement for the Series 2025 Bonds as a result of a Prepayment in accordance with the provisions of the Third Supplemental Indenture and the resulting extraordinary mandatory redemption of the Series 2025 Bonds in accordance with the provisions of the Third Supplemental Indenture, the excess amount shall be transferred from the Series 2025 Reserve Account to the Series 2025 Prepayment Subaccount of the Series 2025 Bond Redemption Account as a credit against the Series 2025 Prepayment Principal otherwise required to be paid by the owner of such lot or parcel, upon written instructions of the District to the Trustee together with a certificate of a Responsible Officer of the District, upon which the Trustee may conclusively rely, stating that, after giving effect to such transfers sufficient moneys will be on deposit in the Series 2025 Reserve Account to equal or exceed the Series 2025 Reserve Requirement.

Pursuant to the Act, an owner of property subject to the levy of Series 2025 Special Assessments may pay the entire balance of the Series 2025 Special Assessments remaining due, without interest, within thirty (30) days after the Assessment Area Three Project has been completed or acquired by the District, and the Board has adopted a resolution accepting the Assessment Area Three Project pursuant to Chapter 170.09, Florida Statutes. The Developer will covenant to waive this right on behalf of itself and its respective successors and assigns in connection with the issuance of the Series 2025 Bonds pursuant to a “Declaration of Consent to Jurisdiction of Edgewater East Community Development District and to Imposition of 2025 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 of the District.

Any prepayment of Series 2025 Special Assessments will result in the extraordinary mandatory redemption of a portion of the Series 2025 Bonds as indicated under “DESCRIPTION OF THE SERIES 2025 BONDS - Redemption Provisions - Extraordinary Mandatory Redemption.” The prepayment of Series 2025 Special Assessments does not entitle the owner of the property to a discount for early payment.

### **Completion Agreement**

In connection with the issuance of the Series 2025 Bonds, the District and the Developer will enter into an agreement pursuant to which the Developer will agree to complete or provide funds to complete the Assessment Area Three Project to the extent that proceeds of the Series 2025 Bonds or future bonds are insufficient therefor (the “Completion Agreement”). Remedies for a default under the Completion Agreement include damages and/or specific performance.

### **True-Up Agreement**

In connection with the issuance of the Series 2025 Bonds, the District and Developer will enter into an agreement pursuant to which the Developer agrees that at the time of recording of any and all plats containing any portion of the lands securing the Series 2025 Bonds or conveying such land to a sub-developer, such plat or contract for sale to a sub-developer shall be presented to the District for review and allocation of the Series 2025 Special Assessments to the units being platted or sold and the remaining property in accordance with the Assessment Methodology (the “True-Up Agreement”). At the time that any plat or contract for sale to a sub-developer is presented to the District, the District will determine if the par amount of outstanding Series 2025 Bonds will be assigned to the total number of units to be developed, taking into account the submitted plat or contract for sale to a sub-developer. If not, the District will determine the remaining par amount of outstanding Series 2025 Bonds unassigned to units and the total number of developable acres owned by the Developer remaining to be platted or sold and will determine if the maximum par debt per acre, as provided in the Assessment Methodology, is exceeded. If the maximum par debt per acre is exceeded, a debt reduction payment in the amount equal to the par debt that is not capable of being assigned to the total number of developable acres, plus any applicable interest charges and

collection fees shall become due and payable prior to the District's approval of the plat, in addition to the regular assessment installment payable for lands owned by the Developer for that tax year.

### **Collateral Assignment and Assumption of Development Rights**

As a condition precedent to the issuance of the Series 2025 Bonds, and as an inducement for the Bondholders to purchase the Series 2025 Bonds, the Developer will execute and deliver to the District the Collateral Assignment and Assumption of Development Rights (Series 2025 Bonds – Assessment Area Three) (the “Collateral Assignment”) relating to the Assessment Area Three Project, pursuant to which the Developer will collaterally assign to the District or its designee, and to the extent assignable, and to the extent that they are owned or controlled by the Developer or subsequently acquired by the Developer, and subject to the limitations set forth below, all of their development rights relating to the development of the Assessment Area Three Project, and the Developer's rights as declarant of the homeowners' or property owners' association with respect to, and to the extent of the unit parcels within the District Lands encumbered by the Series 2025 Special Assessments not conveyed to third parties as of the date of the Collateral Assignment (collectively, the “Development Rights”), as security for Developer's payment and performance and discharge of their obligation to pay the Series 2025 Special Assessments levied against the District Lands owned by the Developer from time to time, subject to the terms and conditions therein. The Development Rights include the following, as they pertain to the development of the Assessment Area Three Project and Assessment Area Three: (a) any declaration of covenants, including any master or supplemental declarations of covenants, easements and restrictions, and any condominium declaration or declaration of homeowners' association, and any declaration of whatever nature affecting the District Lands and the Development, as recorded in the Official Records of Osceola County, Florida, and as the same may be amended and restated from time to time, including, without limitation, all of the right, title, interest, powers, privileges, benefits and options controlled by the Developer thereunder; (b) engineering and construction plans and specifications for grading, traffic capacity analyses, roadways, site drainage, stormwater drainage, signage, water distribution, wastewater collection, and other improvements to or affecting Assessment Area Three; (c) preliminary and final plats and/or site plans for Assessment Area Three; (d) architectural plans and specifications for buildings and other improvements to Assessment Area Three; (e) permits, approvals, agreements, resolutions, variances, licenses, and franchises and applications therefor whether approved or in process pending before or granted by governmental authorities, or any of their respective agencies, for or affecting the development of Assessment Area Three or the Assessment Area Three Project and construction of improvements thereon including, but not limited to, the following: (i) Any and all approvals, extensions, amendments, rezoning and development orders rendered by governmental authorities, including the County relating to the Development and Assessment Area Three, (ii) Any and all service agreements relating to utilities, water and/or wastewater, and (iii) Permits, more particularly described in the Engineer's Report; (f) contracts with engineers, architects, land planners, landscape architects, consultants, contractors, and suppliers for or relating to the development of Assessment Area Three or the Assessment Area Three Project or the construction of improvements thereon, together with all warranties, guaranties and indemnities of any kind or nature associated therewith; (g) franchise or other agreements for the provision of water and waste water service to Assessment Area Three, and all hookup fees and utility deposits paid by Developer in connection therewith; (h) permit fees, impact fees, deposits and other assessments and impositions paid by Developer to any governmental authority or utility and capacity reservations, impact fee credits and other credits due to Developer from any governmental authority or utility provider, including credit for any dedication or contribution of Assessment Area Three by Developer in connection with the development of Assessment Area Three or the construction of improvements thereon; and (i) all future creations, changes, extensions, revisions, modifications, substitutions, and replacements of any of the foregoing and any guarantees of performance of obligations to Developer arising thereunder by any means, including, but not limited to, pursuant to governmental requirements, administrative or formal action by third parties, or written agreement with governmental authorities or third parties. The Development Rights specifically exclude any portion of the Development

Rights listed above which relate solely to: (i) lots which have been conveyed to homebuilders or homebuyers effective as of such conveyance; and (ii) any portion of the property which has been transferred, dedicated and/or conveyed, or is in the future conveyed, to the County, the District, the Florida Department of Transportation, any homebuilder association, any utility provider, any governmental or quasi-governmental entity, any applicable homeowner's or property owner's association or other governing entity or association as may be required by the Development Rights.

Notwithstanding the above provisions to the contrary, in the event the District forecloses on the lands subject to the Series 2025 Special 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 Assessment Area Three Project or the development of Assessment Area Three. See "THE DEVELOPMENT" herein for more information.

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

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

### **Series 2025 Acquisition and Construction Account**

The Indenture creates the Series 2025 Acquisition and Construction Account within the Acquisition and Construction Fund. Net proceeds of the Series 2025 Bonds shall initially be deposited into the Series 2025 Acquisition and Construction Account in the amount set forth in the Third Supplemental Indenture, together with any moneys subsequently transferred or deposited thereto, including moneys transferred from the Series 2025 Reserve Account after satisfaction of either Reserve Release Conditions #1 or Reserve Release Conditions #2, as certified in writing by the District Manager and upon which the Trustee may conclusively rely, and such moneys shall be applied as set forth in the Indenture, the Acquisition Agreement and the Engineer's Report. Funds on deposit in the Series 2025 Acquisition and Construction Account shall only be requested by the District to be applied to the Costs of the Assessment Area Three Project, subject to the provisions in the Third Supplemental Indenture. Upon satisfaction of Reserve Release Conditions #1 and Reserve Release Conditions #2, the amount on deposit in the Series 2025 Reserve Account in excess of the Series 2025 Reserve Requirement, as calculated by the District shall then be transferred by the Trustee to the Series 2025 Acquisition and Construction Account, as directed in writing to the Trustee by the District Manager, upon consultation with the District Engineer, and applied as provided in the Third Supplemental Indenture.

After the Completion Date for the Assessment Area Three Project, any moneys remaining in the Series 2025 Acquisition and Construction Account (and any excess funds from the Series 2025 Reserve Account) shall be transferred to the Series 2025 General Redemption Subaccount, as directed in writing by the District or the District Manager, on behalf of the District to the Trustee to be applied as provided in the Third Supplemental Indenture. Except as provided in the provisions of the Third Supplemental Indenture, only upon presentment to the Trustee of a properly signed requisition in substantially the form attached to the Third Supplemental Indenture, shall the Trustee withdraw moneys from the Series 2025 Acquisition and Construction Account. After no funds remain therein, the Series 2025 Acquisition and Construction Account, such Account shall be closed.

Notwithstanding the foregoing, the Series 2025 Acquisition and Construction Account shall not be closed until the Reserve Release Conditions #2 shall have occurred and the excess funds from the Series 2025 Reserve Account shall have been transferred to the Series 2025 Acquisition and Construction Account, as directed in writing to the Trustee by the District Manager, and applied in accordance with the Third Supplemental Indenture. The Trustee shall not be responsible for determining the amounts in the Series 2025 Acquisition and Construction Account allocable to the respective components of the Assessment Area Three Project.

See “ESTIMATED SOURCES AND USES OF FUNDS” herein for the amounts to be deposited within each subaccount within the Series 2025 Acquisition and Construction Account.

### **Series 2025 Reserve Account**

The Indenture creates a Series 2025 Reserve Account within the Debt Service Reserve Fund solely for the benefit of the Series 2025 Bonds. The Series 2025 Reserve Account will, at the time of delivery of the Series 2025 Bonds, be funded from a portion of the net proceeds of the Series 2025 Bonds in an amount equal to the Series 2025 Reserve Requirement. “Series 2025 Reserve Requirement” shall be (i) initially, an amount equal to maximum annual debt service on the Series 2025 Bonds as calculated from time to time; and (ii) upon the occurrence of the Reserve Release Conditions #1, fifty percent (50%) of the maximum annual debt service on the Series 2025 Bonds as calculated from time to time; and (iii) upon the occurrence of the Reserve Release Conditions #2, ten percent (10%) of the maximum annual debt service on the Series 2025 Bonds as calculated from time to time. Upon satisfaction of Reserve Release Conditions #1 or Reserve Release Conditions #2, as applicable, such excess amount shall be released from the Series 2025 Reserve Account and transferred to the Series 2025 Acquisition and Construction Account in accordance with the provisions of the Third Supplemental Indenture. For the purpose of calculating the Series 2025 Reserve Requirement, maximum annual debt service, 50% of maximum annual debt service or 10% of maximum annual debt service, as the case may be, shall be recalculated in connection with the extraordinary mandatory redemption described in the provisions of the Third Supplemental Indenture and such excess amount shall be released from the Series 2025 Reserve Account and, other than as provided in the immediately preceding sentence, transferred to the Series 2025 General Redemption Subaccount or the Series 2025 Prepayment Subaccount, as applicable, in accordance with the provisions of the Third Supplemental Indenture. Amounts on deposit in the Series 2025 Reserve Account may, upon final maturity or redemption of all Outstanding Series 2025 Bonds be used to pay principal of and interest on the Series 2025 Bonds at that time. Initially, the Series 2025 Reserve Requirement shall be equal to \$\_\_\_\_\_.

On each March 15 and September 15 (or, if such date is not a Business Day, on the Business Day next preceding such day), the Trustee shall determine the amount on deposit in the Series 2025 Reserve Account and transfer any excess therein above the Series 2025 Reserve Requirement resulting from investment earnings to the Series 2025 Revenue Account in accordance with the Third Supplemental Indenture.

Subject to the provisions of the Third Supplemental Indenture, on any date the District receives notice from the District Manager that a landowner wishes to prepay its Series 2025 Special Assessments relating to the benefited property of such landowner, or as a result of a mandatory true-up payment, the District shall, or cause the District Manager to, on behalf of the District, calculate the principal amount of such Prepayment taking into account a credit against the amount of Series 2025 Prepayment Principal due by the amount of money in the Series 2025 Reserve Account that will be in excess of the Series 2025 Reserve Requirement for the Series 2025 Bonds, taking into account the proposed Prepayment. Such excess shall be transferred to the Series 2025 Prepayment Subaccount of the Series 2025 Bond Redemption Account, as a result of such Prepayment. The District Manager, on behalf of the District, shall make such calculation within ten (10) Business Days after such Prepayment and shall instruct the Trustee in writing to

transfer such amount of credit given to the respective landowner from the Series 2025 Reserve Account to the Series 2025 Prepayment Subaccount of the Series 2025 Bond Redemption Account to be used for the extraordinary mandatory redemption of the Series 2025 Bonds in accordance with the provisions of the Third Supplemental Indenture. The Trustee is authorized to make such transfers and has no duty to verify such calculations. Notwithstanding any of the foregoing, amounts on deposit in the Series 2025 Reserve Account shall be transferred by the Trustee, in the amounts directed in writing by the Majority Holders of the Series 2025 Bonds to the Series 2025 General Redemption Subaccount, if as a result of the application of the provisions of the Master Indenture, the proceeds received from lands sold subject to the Series 2025 Special Assessments and applied to redeem a portion of the Series 2025 Bonds is less than the principal amount of Series 2025 Bonds indebtedness attributable to such lands.

Notwithstanding the foregoing, upon satisfaction of Reserve Release Conditions #1 and Reserve Release Conditions #2, the Trustee shall deposit such excess as directed by the District Manager in writing on deposit in the Series 2025 Reserve Account to the Series 2025 Acquisition and Construction Account and pay such amount as designated in a requisition in the form attached to the Third Supplemental Indenture to the District submitted by the Developer within thirty (30) days of such transfer which requisition shall be executed by the District and the District Engineer. Such payment is authorized notwithstanding that the Completion Date might have been declared; provided, the Developer can establish, to the satisfaction of the District Engineer, Costs of the Assessment Area Three Project that were not paid from moneys initially deposited in the Series 2025 Acquisition and Construction Account. In the event that there are no unreimbursed costs to pay to the Developer, such excess moneys transferred from the Series 2025 Reserve Account to the Series 2025 Acquisition and Construction Account shall be deposited into the Series 2025 General Redemption Subaccount of the Series 2025 Bond Redemption Account upon direction to the Trustee by the District. If no completed requisition as provided in this section is submitted to the Trustee within thirty (30) days of moneys having been transferred from the Series 2025 Reserve Account to the Series 2025 Acquisition and Construction Account as a result of the satisfaction of Reserve Release Conditions #1 and Reserve Release Conditions #2, such excess moneys in the Series 2025 Acquisition and Construction Account shall then be transferred by the Trustee to the Series 2025 General Redemption Subaccount and applied to the redemption of Series 2025 Bonds as provided in the provisions of the Third Supplemental Indenture.

In addition, and together with the moneys transferred from the Series 2025 Reserve Account pursuant to this paragraph, if the amount on deposit in the Series 2025 General Redemption Subaccount, is not sufficient to redeem a principal amount of the Series 2025 Bonds in an Authorized Denomination, the Trustee is authorized to withdraw amounts from the Series 2025 Revenue Account to round up the amount in the Series 2025 General Redemption Subaccount to the nearest Authorized Denomination.

“Reserve Release Condition #1” shall mean collectively (i) all of the Outstanding principal amount of the Series 2025 Special Assessments shall have been assigned to lots that have been developed, platted and conveyed to homebuilders, and (ii) there shall be no Events of Default under the Indenture, all as certified by the District Manager in writing and upon which the Trustee may conclusively rely.

“Reserve Release Conditions #2” shall mean collectively (i) satisfaction of Reserve Release Conditions #1, (ii) all of the Outstanding principal portion of the Series 2025 Special Assessments has been assigned to homes that have received a certificate of occupancy and (iii) there shall be no Events of Default under the Indenture, all as certified by the District Manager in writing and upon which the Trustee may conclusively rely.



## **Deposit and Application of the Series 2025 Pledged Revenues**

Pursuant to the Indenture, the Trustee shall transfer from amounts on deposit in the Series 2025 Revenue Account to the Funds and Accounts designated below, the following amounts, at the following times and in the following order of priority:

FIRST, upon receipt but no later than the Business Day next preceding each Interest Payment Date, commencing November 1, 2025, to the Series 2025 Interest Account of the Debt Service Fund, an amount equal to the interest on the Series 2025 Bonds becoming due on the next succeeding Interest Payment Date, less any amount on deposit in the Series 2025 Interest Account not previously credited;

SECOND, no later than the Business Day next preceding each May 1, commencing May 1, 2026, to the Series 2025 Sinking Fund Account, an amount equal to the principal amount of Series 2025 Bonds subject to sinking fund redemption on such May 1, less any amount on deposit in the Series 2025 Sinking Fund Account not previously credited;

THIRD, upon receipt but no later than the Business Day next preceding each Interest Payment Date while Series 2025 Bonds remain Outstanding, to the Series 2025 Reserve Account, an amount equal to the amount, if any, which is necessary to make the amount on deposit therein equal to the Reserve Requirement for the Series 2025 Bonds; and

FOURTH, notwithstanding the foregoing, at any time the Series 2025 Bonds are subject to redemption on a date which is not a May 1 or November 1 Interest Payment Date, the Trustee shall be authorized to transfer to the Series 2025 Interest Account, the amount necessary to pay interest on the Series 2025 Bonds subject to redemption on such date; and

FIFTH, subject to the foregoing paragraphs, the balance of any moneys remaining after making the foregoing deposits shall be first deposited into the Series 2025 Costs of Issuance Account upon the written request of the District to cover any deficiencies in the amount allocated to pay the cost of issuing the Series 2025 Bonds and next, any balance in the Series 2025 Revenue Account shall remain on deposit in such Series 2025 Revenue Account, unless needed to be transferred to the Series 2025 Prepayment Subaccount for the purposes of rounding the principal amount of a Series 2025 Bond subject to extraordinary mandatory redemption pursuant to the provisions of the Third Supplemental Indenture to an Authorized Denomination, or unless pursuant to the Arbitrage Certificate, it is necessary to make a deposit into the Series 2025 Rebate Fund, in which case, the District shall direct the Trustee to make such deposit thereto.

In addition to a redemption of Series 2025 Bonds from Prepayments on deposit in the Series 2025 Prepayment Subaccount, the Trustee is further authorized, upon written direction from the District, to transfer from the Series 2025 Revenue Account to the Series 2025 General Redemption Subaccount sufficient funds to cause the redemption of the next closest Authorized Denomination of Series 2025 Bonds, as provided in the provisions of the Third Supplemental Indenture.

## **Investment or Deposit of Funds**

The Trustee shall, as directed by the District in writing, invest moneys on deposit in all of the Funds and Accounts held as security for the Series 2025 Bonds only in Investment Securities, as defined in the Master Indenture. Earnings on investments in the Series 2025 Acquisition and Construction Account including the subaccounts therein and the Series 2025 Costs of Issuance Account shall be retained as realized, in such Accounts and subaccounts and used for the purpose of such Accounts and subaccounts. Earnings on investments in the Series 2025 Revenue Account, Series 2025 Sinking Fund Account, the Series 2025 Interest Account and the Series 2025 Prepayment Account in the Bond Redemption Fund 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 provided in the Indenture. See “APPENDIX B – COPY OF MASTER INDENTURE AND PROPOSED FORM OF THIRD SUPPLEMENTAL INDENTURE” herein. All deposits in time accounts shall be subject to withdrawal without penalty and all investments shall mature or be subject to redemption by the holder without penalty, not later than the date when the amounts will foreseeably be needed for purposes set forth in the Indenture. All securities securing investments under the Indenture shall be deposited with a Federal Reserve Bank, with the trust department of the Trustee, as authorized by law with respect to trust funds in the State, or with a bank or trust company having a combined net capital and surplus of not less than \$50,000,000. The interest and income received upon such investments and any interest paid by the Trustee or any other depository of any Fund or Account and any profit or loss resulting from the sale of securities shall be added or charged to the Fund or Account for which such investments are made; provided, however, that if the amount in any Fund or Account equals or exceeds the amount required to be on deposit therein, subject to the Indenture, any interest and other income so received shall be deposited as provided above. Upon written request of the District, or on its own initiative whenever payment is to be made out of any Fund or Account, the Trustee shall sell such securities as may be requested to make the payment and restore the proceeds to the Fund or Account in which the securities were held. The Trustee shall not be accountable for any depreciation in the value of any such security or for any loss resulting from the sale thereof, except as provided in the Indenture. If net proceeds from the sale of securities held in any Fund or Account shall be less than the amount invested and, as a result, the amount on deposit in such Fund or Account is less than the amount required to be on deposit in such Fund or Account, the amount of such deficit shall be transferred to such Fund or Account from the related Series Account of the Revenue Fund.

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

### **Covenant to Levy the Series 2025 Special Assessments**

The District has covenanted to levy the Series 2025 Special Assessments to the extent and in the amount sufficient to pay debt service on the Series 2025 Bonds when due. If any Series 2025 Special Assessment shall be either in whole or in part annulled, vacated or set aside by the judgment of any court, or if the District shall be satisfied that any such Series 2025 Special Assessment is so irregular or defective that the same cannot be enforced or collected, or if the District shall have omitted to make such Series 2025 Special Assessment when it might have done so, the District shall either (i) take all necessary steps to cause new Series 2025 Special Assessments to be made for the whole or any part of such improvement or against any property benefited by such improvement, or (ii) in its sole discretion, make up the amount of such Series 2025 Special Assessments from legally available moneys, which moneys shall be deposited into the Series 2025 Revenue Account. In case such second Series Special 2025 Assessment shall be annulled, the

District shall obtain and make other Series 2025 Special Assessments until a valid Series 2025 Special Assessment shall be made.

### **Additional Obligations**

The District will covenant in the Indenture not to issue any other Bonds or other debt obligations secured by the Series 2025 Special Assessments. In addition, the District covenants not to issue any other Bonds or debt obligations for capital projects, secured by Special Assessments on the assessable lands within the District that are subject to the Series 2025 Special Assessments, until the Series 2025 Special Assessments are Substantially Absorbed. “Substantially Absorbed” means the date at least 90% of the principal portion of the Series 2025 Special Assessments has been assigned to residential units within Assessment Area Three that have received certificates of occupancy. The District shall present the Trustee with a certification that the Series 2025 Special Assessments are Substantially Absorbed and the Trustee may rely conclusively upon such certification and shall have no duty to verify if the Series 2025 Special Assessments are Substantially Absorbed. In the absence of such written certification, the Trustee is entitled to assume that the Series 2025 Special Assessments have not been Substantially Absorbed.

Notwithstanding any of the foregoing, the District shall not be precluded from issuing other Bonds or debt obligations for capital projects secured by Special Assessments, or imposing Special Assessments or non-ad valorem assessments on lands within the District for the health, safety, and welfare of the District’s residents or for purposes of remediating any natural disaster, catastrophic damage, or failure that has occurred with respect to any capital project or any component thereof. See “THE DEVELOPMENT – Taxes, Fees and Assessments” and “BONDOWNERS’ RISKS – No. 9” herein for more information.

### **Events of Default and Remedies**

Events of Default Defined. The Master Indenture provides that each of the following shall be an “Event of Default” under the Master Indenture, with respect to the Series 2025 Bonds:

- (a) if payment of any installment of interest on the Series 2025 Bonds is not made when it becomes due and payable; or
- (b) if payment of the principal or Redemption Price on the Series 2025 Bonds is not made when it becomes due and payable at maturity or upon call or presentation for redemption; or
- (c) if the District, for any reason, fails in, or is rendered incapable of, fulfilling its material obligations under the Indenture or under the Act; or
- (d) if the District proposes or makes an assignment for the benefit of creditors or enters into a composition agreement with all or a material part of its creditors, or a trustee, receiver, executor, conservator, liquidator, sequestrator or other judicial representative, similar or dissimilar, is appointed for the District or any of its assets or revenues, or there is commenced any proceeding in liquidation, bankruptcy, reorganization, arrangement of debts, debtor rehabilitation, creditor adjustment or insolvency, local, state or federal, by or against the District and if such is not vacated, dismissed or stayed on appeal within ninety (90) days; or
- (e) if the District defaults in the due and punctual performance of any other covenant in the Indenture or the Series 2025 Bonds and such default continues for sixty (60) days after written notice requiring the same to be remedied shall have been given to the District by the Trustee, which may give such notice in its discretion and shall give such notice at the written request of the Majority Owners of the Series 2025 Bonds; provided, however, that if such performance requires work to be done, actions to be taken, or

conditions to be remedied, which by their nature cannot reasonably be done, taken or remedied, as the case may be, within such sixty (60) day period, no Event of Default shall be deemed to have occurred or exist if, and so long as the District shall commence such performance within such sixty (60) day period and shall diligently and continuously prosecute the same to completion.

In addition to the events above set forth in the Master Indenture, each of the following events shall be an Event of Default pursuant to the Third Supplemental Indenture with respect to the Series 2025 Bonds:

(a) any portion of the Series 2025 Special Assessments pledged to the Series 2025 Bonds shall have become delinquent Series 2025 Special Assessments and, as the result thereof, the Indenture authorizes the Trustee to withdraw funds in an amount greater than twenty-five percent (25%) of the amount on deposit in 2025 Reserve Account to pay the Debt Service Requirements on the Series 2025 Bonds (regardless of whether the Trustee does or does not actually withdraw such funds from the Series 2025 Reserve Account to pay the Debt Service Requirements on the Series 2025 Bonds) (the foregoing being referred to as a “2025 Reserve Account Event”) unless within ninety (90) days from the Series 2025 Reserve Account Event the District has either (i) replenished the amounts, if any, withdrawn from the Series 2025 Reserve Account or (ii) the portion of the delinquent Series 2025 Special Assessments giving rise to the Series 2025 Reserve Account Event are paid and are no longer delinquent; and

(b) more than fifty percent (50%) of the operation and maintenance assessments that are directly billed by the District and levied by the District on tax parcels subject to the Series 2025 Special Assessments are not paid by the date such are due and payable and such default continues for sixty (60) days after the date when due. The District shall give written notice to the Trustee of the occurrence of the event set forth in this paragraph (b) not later than 10 days after the end of the sixty day period referred to in the preceding sentence. The Trustee shall not be deemed to have knowledge of the occurrence of such an Event of Default absent notice thereof from the District.

Legal Proceedings by Trustee. If any Event of Default with respect to the Series 2025 Bonds has occurred and is continuing, the Trustee, in its discretion may, and upon the written request of the Majority Owners of Series 2025 Bonds and receipt of indemnity to its satisfaction shall, in its own name:

(a) by mandamus, or other suit, action or proceeding at law or in equity, enforce all rights of the Holders of the Series 2025 Bonds, including, without limitation, the right to require the District to carry out any agreements with, or for the benefit of, the Bondholders of the Series 2025 Bonds and to perform its or their duties under the Act;

(b) bring suit upon the Series 2025 Bonds;

(c) by action or suit in equity require the District to account as if it were the trustee of an express trust for the Holders of the Series 2025 Bonds;

(d) by action or suit in equity enjoin any acts or things which may be unlawful or in violation of the rights of the Holders of the Series 2025 Bonds; and

(e) by other proceeding in law or equity, exercise all rights and remedies provided for by any other document or instrument securing the Series 2025 Bonds.

No Acceleration; Redemption. No Series 2025 Bonds shall be subject to acceleration unless the Series 2025 Special Assessments have been accelerated. Upon an Event of Default, no optional redemption or extraordinary mandatory redemption of the Series 2025 Bonds pursuant to the Indenture shall occur

unless either all of the Series 2025 Bonds where an Event of Default has occurred will be redeemed or if 100% of the Holders of the Series 2025 Bonds agree to such redemption.

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

Bondholders May Direct Proceedings. The Majority Owners of the Outstanding Series 2025 Bonds then subject to remedial proceedings under the Indenture shall have the right to direct the method and place of conducting all remedial proceedings by the Trustee under the Indenture, provided that such directions shall not be otherwise than in accordance with law and the provisions of the Indenture. The Trustee shall have no liability as a result of any actions taken upon any such direction of the Holders.

## **ENFORCEMENT OF ASSESSMENT COLLECTIONS**

### **General**

The primary source of payment for the Series 2025 Bonds is the Series 2025 Special Assessments imposed on the lands securing the Series 2025 Bonds specially benefited by the land subject to the Series 2025 Special Assessments pursuant to the Assessment Proceedings. See “ASSESSMENT METHODOLOGY” herein and “APPENDIX E – ASSESSMENT METHODOLOGY.”

The imposition, levy, and collection of the Series 2025 Special Assessments must be done in compliance with the provisions of State law. Failure by the District, the Osceola County Tax Collector (the “Tax Collector”) or the Osceola County Property Appraiser (the “Property Appraiser”) to comply with such requirements could result in delay in the collection of, or the complete inability to collect, Series 2025 Special Assessments during any year. Such delays in the collection of Series 2025 Special Assessments, or complete inability to collect any of the Series 2025 Special Assessments, would have a material adverse effect on the ability of the District to make full or punctual payment of the debt service requirements on such Series 2025 Bonds. See “BONDOWNERS’ RISKS.” To the extent that landowners fail to pay the Series 2025 Special 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. The Act provides for various methods of collection of delinquent Series 2025 Special Assessments by reference to other provisions of the Florida Statutes. See “BONDOWNERS’ RISKS” herein. The following is a description of certain statutory provisions of assessment payment and collection procedures appearing in the Florida Statutes but is qualified in its entirety by reference to such statutes.

For the Series 2025 Special Assessments to be valid, the Series 2025 Special Assessments must meet two requirements: (1) the benefit from the Assessment Area Three Project to the lands subject to the Series 2025 Special Assessments must exceed or equal the amount of the Series 2025 Special Assessments, and (2) the Series 2025 Special Assessments must be fairly and reasonably allocated across all such benefitted properties. See “APPENDIX E – ASSESSMENT METHODOLOGY.” In the event that the Series 2025 Special Assessments are levied based on the assumptions that future contributions will be made, or that future assessments may be levied to secure future bond issuances, the Series 2025 Special Assessments may need to be reallocated in the event such contributions are not made and/or future assessments and bonds are not levied and issued.

Pursuant to the Act, and the Assessment Proceedings, the District may collect the Series 2025 Special Assessments through a variety of methods. See “BONDOWNERS’ RISKS.” For undeveloped

properties owned by the Developer and subsequent landowners, the District will directly issue annual bills to landowners requiring payment of the Series 2025 Special Assessments, and will enforce that bill through foreclosure proceedings. See “ASSESSMENT METHODOLOGY” and “APPENDIX E – ASSESSMENT METHODOLOGY.” As lands are developed, the Series 2025 Special Assessments will be added to the County tax roll and collected pursuant to the Uniform Method. The following is a description of certain statutory provisions relating to each of these collection methods. Such description is not intended to be exhaustive and is qualified in its entirety by reference to such statutes.

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

Chapter 170, Florida Statutes, provides that the Series 2025 Special Assessments constitute a lien on the real property in the District co-equal with all State, City, County, district and municipal taxes, superior in dignity to all other liens, titles and claims on such real property, until paid, and that the Series 2025 Special Assessments may be collected as and when needed in an amount sufficient to pay the principal of and interest on the Series 2025 Bonds when due. ALTHOUGH THE LIEN AND THE PROCEEDS OF THE SERIES 2025 SPECIAL ASSESSMENTS WILL SECURE THE SERIES 2025 BONDS, AND SAID LIEN AND PROCEEDS OF THE SERIES 2025 SPECIAL ASSESSMENTS ARE PLEDGED TO THE SERIES 2025 BONDS, THE LIEN OF THE SERIES 2025 SPECIAL ASSESSMENTS MAY BE ON THE SAME PROPERTY AS, AND THEREFORE OVERLAP AND BE CO-EQUAL WITH, THE LIENS IN FAVOR OF OTHER ASSESSMENTS AND/OR TAXES WHICH HAVE BEEN OR MAY BE IMPOSED BY THE DISTRICT, THE CITY, THE COUNTY OR OTHER UNITS OF LOCAL GOVERNMENT HAVING ASSESSMENT POWERS WITHIN THE DISTRICT.

### **Collection and Enforcement of Assessments; Uniform Method Procedure**

The Third Supplemental Indenture provides that, when permitted by applicable law, the Series 2025 Special Assessments levied on platted lots and pledged to secure the Series 2025 Bonds shall be collected pursuant to the uniform method provided for in Sections 197.3632 and 197.3635, Florida Statutes, (the “Uniform Method”) unless the District determines that it is in its best interests to collect directly or the Uniform Method is unavailable. 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 Special Assessments to be levied and then collected in this manner.

If the Uniform Method of collection is used, the Series 2025 Special 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 Special 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 Special Assessments.

All Taxes and Assessments are payable at one time, except for partial payment schedules as may be provided by Florida law such as Sections 197.374 and 197.222, Florida Statutes. Partial payments made pursuant to Sections 197.374 and 197.222, Florida Statutes, are distributed in equal proportion to all taxing

districts and levying authorities applicable to that account. If a taxpayer does not make complete payment of the total amount, he or she cannot designate specific line items on his or her tax bill as deemed paid in full. Therefore, in the event the Series 2025 Special Assessments are to be collected pursuant to the Uniform Method, any failure to pay any one line item, would cause the Series 2025 Special Assessments to not be collected to that extent, which could have a significant adverse effect on the ability of the District to make full or punctual payment of the Debt Service requirements on the Series 2025 Bonds.

Under the Uniform Method, if the Series 2025 Special 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 Special Assessments, (2) that future landowners and taxpayers in the District will pay such Series 2025 Special 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 Assessment Proceedings to discharge the lien of the Series 2025 Special Assessments and all other liens that are coequal therewith.

Collection of delinquent Series 2025 Special 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 Special Assessments due. Prior to the sale of tax certificates, the landowner may bring current the delinquent Taxes and Assessments and cancel the tax certificate process by paying the total amount of delinquent Taxes and Assessments plus all applicable interest, costs and charges. If the landowner does not act, the Tax Collector is required to attempt to sell tax certificates by public bid to the person who pays the delinquent Taxes and Assessments owing, and any applicable interest, costs and charges, and who accepts the lowest interest rate per annum to be borne by the certificates (but not more than 18%).

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

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

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

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

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

If there are no bidders at the public sale, the clerk shall enter the land on a list entitled "lands available for taxes" and shall immediately notify the Commissioners 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 and liens against the property are canceled and a deed is executed vesting title in the governing board of such County.

There can be no guarantee that the Uniform Method will result in the payment of Series 2025 Special 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 Special 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.”

### **Collection and Enforcement of Assessments; Direct Billing & Foreclosure Procedure**

The Third Supplemental Indenture provides that, when permitted by applicable law, Series 2025 Special Assessments levied on unplatted lots or lands shall be billed and collected directly by the District pursuant to the Act and Chapters 170 and 197, Florida Statutes, and not pursuant to the Uniform Method (discussed below), in each case unless the District determines that it is in its best interests not to do so. Prior to an Event of Default, the election to collect and enforce Series 2025 Special Assessments in any year pursuant to any one method shall not, to the extent permitted by law, preclude the District from electing to collect and enforce Series 2025 Special Assessments pursuant to any other method permitted by law in any subsequent year. Following an Event of Default, Series 2025 Special Assessments levied on platted lots shall be collected pursuant to the Uniform Method and Series 2025 Special Assessments levied on unplatted lots shall be billed and 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 the Trustee, acting at the direction of the Majority Owners of the Series 2025 Bonds Outstanding, provides written direction to use a different method of collection. All Series 2025 Special Assessments that are billed and collected directly by the District and not via the Uniform Method shall be due and payable by the landowner no later than thirty (30) days prior to each Interest Payment Date; provided, however, that such Series 2025 Special Assessments shall not be deemed to be delinquent Series 2025 Special Assessments unless and until same are not paid by the applicable Interest Payment Date with respect to which they have been billed.

As noted above, and pursuant to Chapters 170 and 190, Florida Statutes, the District may directly levy, collect and enforce the Series 2025 Special Assessments. In this context, Section 170.10, Florida Statutes, provides that upon the failure of any property owner to timely pay all or any part of the annual installment of principal and/or interest of a special assessment due, including the Series 2025 Special 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 Special Assessments and the ability to foreclose the lien of such Series 2025 Special Assessments upon the failure to pay such Series 2025 Special 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 Special Assessments. See “BONDOWNERS’ RISKS.”

Certain mortgage lenders have, in recent foreclosure initiated pursuant to Section 170.10, Florida Statutes, alleged in defense that a community development district foreclosing on land subject to an assessment lien must wait a minimum of one (1) year from the date that any assessment or installment thereof, becomes delinquent. At least one (1) Circuit Court is known to have concluded that a community development district is authorized to foreclose pursuant to Chapter 170, Florida Statutes, and, therefore, is not required to wait a minimum of one (1) year; however, the District cannot guarantee the outcome of any legal proceeding in which a similar defense is pled.

### **BONDOWNERS’ RISKS**

There are certain risks inherent in an investment in bonds issued by a public authority or governmental body in the State and secured by special assessments. Certain of these risks are described under other headings in this Limited Offering Memorandum. Certain additional risks are associated with the Series 2025 Bonds offered hereby 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. The information under 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

1. As of the date hereof, the Developer is the owner of all of the land within Assessment Area Three, which lands will be subject to the Series 2025 Special Assessments securing the Series 2025 Bonds. See “SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2025 BONDS” and “LITIGATION – The Developer” herein for more information.

2. Payment of the Series 2025 Special Assessments is primarily dependent upon their timely payment by the Developer and the subsequent landowners in the District. See “THE DEVELOPER” herein. In the event of the institution of bankruptcy or similar proceedings with respect to the Developer or any other owner of benefited property, delays could occur in the payment of debt service on the Series 2025 Bonds as such bankruptcy could negatively impact the ability of: (i) the Developer and any other landowner being able to pay the Series 2025 Special Assessments; (ii) the Tax Collector to sell tax certificates in relation to such property with respect to the Series 2025 Special Assessments being collected pursuant to the Uniform Method; and (iii) the District to foreclose the lien of the Series 2025 Special Assessments not being collected pursuant to the Uniform Method. The Uniform Method will not be used with respect to any assessable lands which are still owned by the Developer or an entity affiliated with the Developer until such time as lots are platted or where the timing for using the Uniform Method will not yet allow for using such 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 Special Assessments and the ability of the District to foreclose the lien of the Series 2025 Special 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.

3. The principal security for the payment of the principal and interest on the Series 2025 Bonds is the timely collection of the Series 2025 Special Assessments. The Series 2025 Special Assessments do not constitute a personal indebtedness of the Developer or any other owners of the land subject thereto, but are secured by a lien on such land. There is no assurance that the Developer or any other landowners will be able to pay the Series 2025 Special Assessments or that they will pay such Series 2025 Special 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 Special Assessments. Neither the Developer nor any subsequent landowners is a guarantor of payment of any Series 2025 Special Assessments, and the recourse for the failure of the Developer or any subsequent landowners to pay the Series 2025 Special Assessments is limited to the collection proceedings against the land subject to such unpaid Series 2025 Special Assessments, as described herein. Therefore, the likelihood of the collection of the Series 2025 Special Assessments may ultimately depend on the market value of the land subject to the Series 2025 Special Assessments. While the ability of the Developer or subsequent landowners to pay the Series 2025 Special Assessments is a relevant factor, the willingness of the Developer or subsequent landowners to pay the Series 2025 Special Assessments, which may also be affected by the value of the land subject to the Series 2025 Special Assessments, is also an important factor in the collection of Series 2025 Special Assessments. The failure of the Developer or subsequent landowners to pay the Series 2025 Special Assessments could render the District unable to collect delinquent Series 2025 Special 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.

4. Beyond legal delays that could result from bankruptcy or other legal proceedings contesting an ad valorem tax or non-ad valorem assessment, the ability of the Tax Collector to sell tax certificates in regard to delinquent Series 2025 Special Assessments collected pursuant to the Uniform Method will be dependent upon various factors, including the interest rate which can be earned by ownership of such certificates and the value of the land which is the subject of such certificates and which may be subject to sale at the demand of the certificate holder after two years. The assessment of the benefits to be received by the benefited land within Assessment Area Three as a result of implementation and development of the Assessment Area Three Project is not indicative of the realizable or market value of the land, which value may actually be higher or lower than the assessment of benefits. To the extent that the realizable or market value of the land benefited by the Assessment Area Three Project is lower than the assessment of benefits, the ability of the Tax Collector to sell tax certificates relating to such land or the ability of the District to realize sufficient value from a foreclosure action to pay debt service on the Series 2025 Bonds may be adversely affected. Such adverse effect could render the District unable to collect delinquent Series 2025 Special Assessments, if any, and provided such delinquencies are significant, could negatively impact the ability of the District to make the full or punctual payment of debt service on the Series 2025 Bonds.

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

District Lands as and when planned. See “THE DEVELOPMENT – Development Plan/Status” and “– Environmental” herein for more information. Moreover, the Developer has the right to modify or change its plan for development of Assessment Area Three, from time to time, including, without limitation, land use and zoning 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.

6. The successful sale of the residential units, once such units are built within the Development, may be affected by unforeseen changes in general economic conditions, fluctuations in the real estate market and other factors beyond the control of the Developer.

7. The value of the lands subject to the Series 2025 Special Assessments could also be adversely impacted by flooding or wind damage caused by hurricanes, tropical storms, or other catastrophic events. In addition to potential damage or destruction to any existing development or construction in or near the District, such catastrophic events could potentially render the District Lands unable to support the development and construction of the Development. The occurrence of any such events could materially adversely impact the District’s ability to pay principal and interest on the Series 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

8. Neither the Developer nor any other subsequent landowner in Assessment Area Three has any obligation to pay the Series 2025 Special Assessments. As described herein, the Series 2025 Special Assessments are an imposition against the land only. Neither the Developer nor any other subsequent landowner is a guarantor of payment of any Series 2025 Special Assessment and the recourse for the failure of the Developer or any other landowner, to pay the Series 2025 Special Assessments is limited to the collection proceedings against the land as described herein.

9. The willingness and/or ability of an owner of benefited land to pay the Series 2025 Special 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 Special 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 Special Assessments. In addition, lands within the District may also be subject to assessments by property and homeowner associations.

10. 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 of the Series 2025 Bonds. The Series 2025 Bonds are being sold pursuant to exemptions from registration under applicable securities laws. No secondary market may develop and an owner may not be able to resell the Series 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 Three, existing real estate and financial market conditions and other factors.

11. In addition to legal delays that could result from bankruptcy or legal proceedings contesting an ad valorem tax or non-ad valorem assessment, the ability of the District to enforce collection of

delinquent Series 2025 Special Assessments will be dependent upon various factors, including the delay inherent in any judicial proceeding to enforce the lien of the Series 2025 Special Assessments and the value of the land which is the subject of such proceedings and which may be subject to sale. See “SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2025 BONDS” herein. If the District has difficulty in collecting the Series 2025 Special Assessments, the Series 2025 Reserve Account could be rapidly depleted and the ability of the District to pay debt service would be materially adversely affected. In addition, during an Event of Default under the Indenture, the Trustee may withdraw moneys from the Series 2025 Reserve Account and such other Funds, Accounts and subaccounts created under the Indenture to pay its extraordinary fees and expenses incurred in connection with such Event of Default. If in fact the Series 2025 Reserve Account is accessed for such purpose, the District does not have a designated revenue source for replenishing such account. Moreover, the District may not be permitted to re-assess real property then burdened by the Series 2025 Special Assessments in order to provide for the replenishment of the Series 2025 Reserve Account.

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

13. If the District should commence a foreclosure action against a landowner for nonpayment of Series 2025 Special Assessments and if the Series 2025 Special Assessments are not being collected pursuant to the Uniform Method, such landowners, and any other lien holders, including mortgagees under recorded mortgage instruments, may raise affirmative defenses to such foreclosure action, which although such affirmative defenses would likely be proven to be without merit, could result in delays in completing the foreclosure action. In addition, the District is required under the Indenture to fund the costs of such foreclosure. It is possible that the District will not have sufficient funds and will be compelled to request the Series 2025 Bondholders to allow funds on deposit under the Indenture to be used to pay the costs of the foreclosure action. Under the Code, there are limitations on the amounts of Series 2025 Bond proceeds that can be used for such purpose.

14. Under Florida law, a landowner may contest the assessed valuation determined for its property which forms the basis of ad-valorem taxes such landowner must pay. During this contest period, the sale of a Tax Certificate under the Uniform Method will be suspended. If the Series 2025 Special Assessments are being collected along with ad valorem taxes pursuant to the Uniform Method, tax certificates will not be sold with respect to the Series 2025 Special Assessment even though the landowner is not contesting the amount of Series 2025 Special Assessments. However, Section 194.014, Florida Statutes, requires taxpayers to pay all non-ad valorem taxes and at least 75% of their ad valorem taxes

before they become delinquent. Likewise, taxpayers who challenge the denial of an exemption or classification or a determination that their improvements were substantially complete must pay all non-ad valorem assessments and the amount of ad valorem taxes that they admit in good faith to be owing. In the event a taxpayer fails to pay their property taxes, the Value Adjustment Board is required to deny their petition by written decision by April 20 of such year.

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

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

It has been reported that the IRS has closed audits of other community development districts in Florida with no change to such districts’ bonds’ tax-exempt status, but has advised such districts that such

districts must have public electors within five years of the issuance of tax-exempt bonds or their bonds may be determined to be taxable retroactive to the date of issuance. Pursuant to the Act, general elections are not held until the later of six years and there are 250 qualified electors in the district. Currently, all of the current members of the Board are employees of, or affiliated with, the Developer. The Developer will certify as to its expectations as to the timing of the transition of control of the Board to qualified electors pursuant to the Act, and its expectations as to compliance with the Act by any members of the Board that they elect. 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 RATE 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 THE SECURITIES ACT (AS HEREINAFTER DEFINED).

16. In addition to a possible determination by the IRS that the District is not a political subdivision for purposes of the Code, and regardless of the IRS determination, it is possible that federal or state regulatory authorities could also determine that the District is not a political subdivision for purposes of the federal and state securities laws. Accordingly, the District and purchasers of Series 2025 Bonds may not be able to rely on the exemption from registration under the Securities Act of 1933, as amended (the “Securities Act”), relating to securities issued by political subdivisions. In that event the Owners of the Series 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.

17. Various proposals are mentioned from time to time by members of the Congress of the United States of America and others concerning reform of the internal revenue (tax) laws of the United States. In addition, the IRS may, in the future, issue rulings that have the effect of changing the interpretation of existing tax laws. Certain of these proposals and interpretations, if implemented or upheld,

could have the effect of diminishing the value of obligations of states and their political subdivisions, such as the Series 2025 Bonds, by eliminating or changing the tax-exempt status of interest on certain of such bonds. Whether any of such proposals will ultimately become or be upheld as law, and if so, the effect such proposals could have upon the value of bonds such as the Series 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. See also “TAX MATTERS.”

18. There can be no assurance, in the event the District does not have sufficient moneys on hand to complete the Assessment Area Three Project, that the District will be able to raise through the issuance of bonds, or otherwise, the moneys necessary to complete the Assessment Area Three Project.

19. Further, pursuant to the Third Supplemental Indenture, the District will covenant not to issue any other Bonds or other debt obligations secured by the Series 2025 Special Assessments. In addition, the District covenants not to issue any other Bonds or debt obligations for capital projects, secured by Special Assessments on the assessable lands within the District that are subject to the Series 2025 Special Assessments, until the Series 2025 Special Assessments are Substantially Absorbed. See “SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2025 BONDS – Additional Obligations” for more information. The Developer will enter into the Completion Agreement with the District with respect to any unfinished portions of the Assessment Area Three Project not funded with the proceeds of the Series 2025 Bonds or future bonds, but there is no assurance that the Developer will have sufficient resources to complete the Assessment Area Three Project. The Developer will also execute and deliver to the District 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, all of the Development Rights. See “THE CAPITAL IMPROVEMENT PLAN AND THE ASSESSMENT AREA THREE PROJECT” and “THE DEVELOPMENT” herein for more information.

20. The Land Purchasers (as defined herein), who have each agreed or are expected to agree to purchase from the Developer a portion of Assessment Area Three that will be developed into lots, have the right to terminate their respective Land Sale Contracts (as defined herein) in the event that certain conditions are not met, including without limitation the satisfactory completion of an inspection period and completion of development of the Assessment Area Three Project. If the Land Sale Contracts are (i) not finalized or (ii) if they are finalized but the Land Purchasers do not complete their purchase and residential units are not built and sold to homebuyers, the burden for payment of the Series 2025 Special Assessments with respect to any unsold portions of Assessment Area Three will lie solely with the Developer and/or any subsequent landowner(s) in Assessment Area Three, if and to the extent applicable. See “THE CAPITAL IMPROVEMENT PLAN AND THE ASSESSMENT AREA THREE PROJECT” and “THE DEVELOPMENT – Land Sale Contracts” herein for more information.

21. It is impossible to predict what new proposals may be presented regarding ad valorem tax reform and/or community development districts during upcoming legislative sessions, whether such new proposals or any previous proposals regarding the same will be adopted by the Florida Senate and House of Representatives and signed by the Governor, and, if adopted, the form thereof. On October 31, 2014, the Auditor General of the State released a 31-page report which requests legislative action to establish parameters on the amount of bonds a community development district may issue and provide additional oversight for community development district bonds. This report renews requests made by the Auditor General in 2011 that led to the Governor of the State issuing an Executive Order on January 11, 2012 (the “Executive Order”) directing the Office of Policy and Budget in the Executive Office of the Governor (“OPB”) to examine the role of special districts in the State. As of the date hereof, the OPB has not made any recommendations pursuant to the Executive Order nor has the Florida legislature passed any related legislation. It is impossible to predict with certainty the impact that any future legislation will or may have



on the security for the Series 2025 Bonds. It should be noted that Section 190.16(14) of the Act provides in pertinent part that “The state pledges to the holders of any bonds issued under the Act that it will not limit or alter the rights of the district to levy and collect the ... assessments... and to fulfill the terms of any agreement made with the holders of such bonds ... and that it will not impair the rights or remedies of such holders.”

22. In the event a bank forecloses on property because of a default on the mortgage and then the bank itself fails, the Federal Deposit Insurance Corporation (the “FDIC”), as receiver will then become the fee owner of such property. In such event, the FDIC will not, pursuant to its own rules and regulations, likely be liable to pay the Series 2025 Special Assessments. In addition, the District would be required to obtain the consent of the FDIC prior to commencing a foreclosure action.

23. 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.

24. 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 Assessment Area Three Project, Assessment Area Three and the construction and sale to purchasers of residential units in Assessment Area Three. Such impacts could include delays in obtaining development approvals, construction delays, supply chain delays, or increased costs. See also “BONDOWNERS’ RISKS – No. 6” and “–No. 17” herein.

25. In addition to being subject to optional and mandatory sinking fund redemptions, the Series 2025 Bonds are subject to extraordinary mandatory redemption as a result of prepayments of the Series 2025 Special Assessments by the Developer or subsequent owners of the property within Assessment Area Three. 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” and “SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2025 BONDS – Prepayment of Series 2025 Special Assessments” herein for more information.

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## ESTIMATED SOURCES AND USES OF FUNDS

The table that follows summarizes the estimated sources and uses of proceeds of the Series 2025 Bonds:

### Sources of Funds:

Par Amount of Series 2025 Bonds	\$
[Plus][Less][Net] Original Issue [Premium][Discount]	
Total Sources	<u>\$</u>

### Use of Funds:

Deposit to Series 2025 Acquisition and Construction Account	\$
Deposit to Series 2025 Reserve Account	
Deposit to Series 2025 Interest Account <sup>(1)</sup>	
<u>Costs of Issuance, including Underwriter's Discount<sup>(2)</sup></u>	
Total Uses	<u>\$</u>

<sup>(1)</sup> To be applied to pay interest on the Series 2025 Bonds through at least November 1, 2025.

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

Year Ending November 1	Principal (Amortization)	Interest	Total Debt Service
2025	\$	\$	\$
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
2045			
2046			
2047			
2048			
2049			
2050			
2051			
2052			
2053			
2054			
2055*			
TOTAL	\$	\$	\$

\* The Series 2025 Bonds mature on May 1, 20\_\_.

## **THE DISTRICT**

### **General**

The District is an independent local unit of special-purpose government of the State created in accordance with the provisions of the Act by Ordinance No. 2020-49 duly enacted by the Board of County Commissioners (the “Commissioners”) of Osceola County, Florida (the “County”) on June 15, 2020 and effective on June 16, 2020, as amended by Ordinance No. 2020-66, Ordinance No. 2021-86 and Ordinance No. 2023-15 duly enacted by the Commissioners of the County on September 21, 2020, December 13, 2021 and December 18, 2023, respectively, and effective on September 23, 2020, December 16, 2021 and December 27, 2023, respectively. The boundaries of the District currently include approximately 1,390.074+/- gross acres of land, located within the City. The District is being developed as a residential planned development in phases and is currently planned to contain approximately 4,608 residential units at build-out consisting of 2,473+/- single-family detached units, 1,210+/- townhome/duplex attached units and 925+/- multi-family apartment units. See “THE DEVELOPMENT” herein for more information.

### **Legal Powers and Authority**

The District is an independent unit of local government created pursuant to, and established in accordance with the Act. The Act was enacted in 1980 to provide a uniform method for the establishment of independent districts to manage and finance basic community development services, including capital infrastructure required for community developments throughout the State. The Act provides legal authority for community development districts (such as the District) to finance the acquisition, construction, operation and maintenance of the infrastructure for community development pursuant to its general law charter (Sections 190.006 through 190.041, Florida Statutes). The District is classified as an independent district under Chapter 189, Florida Statutes.

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

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

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

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

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

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

<b><u>Name</u></b>	<b><u>Title</u></b>	<b><u>Term Expires</u></b>
Noah Breakstone*	Chairperson	November 2028
Kevin Mays*	Vice-Chairperson	November 2028
Kevin Kramer*	Assistant Secretary	November 2026
Justin Onorato*	Assistant Secretary	November 2026
Jody Pino*	Assistant Secretary	November 2026

\* Employee of, or affiliated with, BTI.

A majority of the members of the Board constitutes a quorum for the purposes of conducting its business and exercising its powers and for all other purposes. Action taken by the Board shall be upon a

vote of a majority of the members present unless general law or a rule of the District requires a greater number. All meetings of the Board are open to the public under Florida's open meeting or "Sunshine" law.

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

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

The District has retained Wrathell, Hunt and Associates, LLC, Boca Raton, Florida, to serve as its district manager (the "District Manager"). The District Manager's office is located in 2300 Glades Road, Suite 410W, Boca Raton, Florida 33431.

The Act further authorizes the Board to hire such employees and agents as it deems necessary. Thus, the District has employed the services of Kutak Rock LLP, Tallahassee, Florida, as District Counsel; Greenberg Traurig, P.A., Miami, Florida, as Bond Counsel and Hanson, Walter & Associates, Inc. as District Engineer. The Board has also retained the District Manager to serve as Methodology Consultant.

### **Prior Indebtedness**

The District previously issued the following bonds:

- \$19,895,000 aggregate principal amount Special Assessment Revenue Bonds, Series 2021 (the "Series 2021 Bonds"), currently outstanding in the principal amount of \$18,245,000, to finance certain master public infrastructure improvements (the "Assessment Area One Project"); and
- \$33,925,000 aggregate principal amount Special Assessment Revenue Bonds, Series 2022 (the "Series 2022 Bonds"), currently outstanding in the principal amount of \$31,770,000, to finance certain master public infrastructure improvements (the "Assessment Area Two Project").

The Series 2025 Pledged Revenues are not pledged to the payment of the principal of and interest on the Series 2021 Bonds or the Series 2022 Bonds, and the Series 2021 Special Assessments and the Series 2022 Special Assessments securing the Series 2021 Bonds and the Series 2022 Bonds, respectively, are not pledged to the payment of the principal of and interest on the Series 2025 Bonds. After the issuance of the Series 2025 Bonds, the Series 2025 Special Assessments will be the only debt assessments levied on the lands securing the Series 2025 Bonds. The Series 2021 Special Assessments are the only debt assessments levied on the lands within Assessment Area One. The Series 2022 Special Assessments are the only debt assessments levied on the lands within Assessment Area Two.

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## **THE CAPITAL IMPROVEMENT PLAN AND THE ASSESSMENT AREA THREE PROJECT**

Hanson, Walter & Associates, Inc. (the “District Engineer”) prepared a report entitled Engineer’s Report for the Edgewater East Community Development District, dated August 26, 2020 (the “Master Engineer’s Report”), as supplemented by a report entitled Supplemental Engineer’s Report for Assessment Area 3 (ED-6S) for the Edgewater East Community Development District, dated January 9, 2025 (the “Supplemental Engineer’s Report” and, together with the Master Engineer’s Report, the “Engineer’s Report”), which sets forth certain public infrastructure improvements necessary for the development of approximately 4,608 residential units planned for the Development (the “Capital Improvement Plan”).

Land development associated with the Development will occur in multiple phases. Assessment Area One consists of approximately 208.91+/- gross acres and is planned to contain 1,073+/- residential units (“Assessment Area One”). Assessment Area Two consists of approximately 687.69+/- gross acres and is planned to contain 2,039+/- residential units (“Assessment Area Two”). Assessment Area Three consists of approximately 286.8+/- gross acres and is planned to contain approximately 679+/- residential units within parcel ED-6S (“Assessment Area Three”). The portion of the Capital Improvement Plan associated with Assessment Area One is referred to herein as the “Assessment Area One Project.” The portion of the Capital Improvement Plan associated with Assessment Area Two is referred to herein as the “Assessment Area Two Project.” The portion of the Capital Improvement Plan associated with Assessment Area Three is referred to herein as the “Assessment Area Three Project.”

The District previously issued its Series 2021 Bonds and Series 2022 Bonds in order to finance certain portions of each of the Assessment Area One Project and the Assessment Area Two Project, respectively. The Assessment Area One Project is substantially complete, and the Assessment Area Two Project is expected to be completed in the third calendar quarter of 2025. See “THE DEVELOPMENT – Update on Assessment Area One and Assessment Area Two” herein for more information.

The District is issuing its Series 2025 Bonds to finance a portion of the Assessment Area Three Project. The Developer and/or the District will install the master infrastructure improvements which constitute the Assessment Area Three Project; and the Developer intends to sell permitted, undeveloped parcels to third-party homebuilders that will install the Neighborhood Infrastructure for the lands securing the Series 2025 Bonds.

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The District Engineer, in the Engineer’s Report, estimates the total cost of the Assessment Area Three Project to be \$23,870,000, as more particularly described below. The Assessment Area Three Project consists of master infrastructure improvements only consisting of roadway improvements, a stormwater management system, utilities, hardscape and landscape, undergrounding of electrical utility lines, and associated professional fees and soft costs. The roadway improvements consist of (i) a 0.5-mile spine road providing access from Assessment Area Two to Assessment Area Three to the south (“Cross Prairie Parkway South”) and (ii) a 0.5-mile extension of Cross Prairie Parkway South to the north of the Development (“Cross Prairie Parkway North”) providing access to the Development’s Urban Center and the new Florida Turnpike interchange. See “THE DEVELOPMENT – Zoning and Permitting” herein for more information. Such Florida Turnpike interchange, which is not part of the Assessment Area Three Project, is currently under construction. The Land Purchasers or other builders within Assessment Area Three will be responsible for the Neighborhood Infrastructure that corresponds to their respective Neighborhood (as defined herein).

<b><u>Assessment Area Three Project Description</u></b>	<b><u>Total</u></b>
Roadways (includes traffic signal and box culvert)	\$ 7,000,000
Right of Way Acquisition	500,000
Stormwater Management	2,800,000
Utilities (Water, Sewer, Reclaim)	2,800,000
Hardscape/Landscape/Irrigation/Trails	3,200,000
Undergrounding of Conduit	2,200,000
Environmental Conservation/Mitigation	800,000
Professional Services	2,400,000
Contingency (10%)	<u>2,170,000</u>
<b>Total</b>	<b>\$23,870,000*</b>

\* The probable costs estimated herein do not include anticipated carrying costs, interest reserves or other anticipated District expenditures that may be incurred.

The Assessment Area Three Project is expected to commence in July 2025 and is expected to be completed by the fourth calendar quarter of 2026. As of April 2025, the Developer has spent approximately \$53.6 million in land development costs associated with the Development. The net proceeds from the Series 2025 Bonds are expected to be approximately \$8.3 million\* and such proceeds will be used by the District towards the funding of construction and/or acquisition of the Assessment Area Three Project. The Developer will enter into a Completion Agreement that will obligate the Developer to complete any portions of the Assessment Area Three Project not funded with proceeds of the Series 2025 Bonds or future bonds. See “BONDOWNERS’ RISKS – No. 18” herein.

Pursuant to that certain Force Main Construction Agreement/Kissimmee Park Road dated December 18, 2024 by and among the Tohopekaliga Water Authority, the District and developers of adjacent lands for the construction of a sewer force main, the District has designed, permitted, and is currently constructing, a sewer force main to serve the Development and adjacent parcels owned by the other developers. See “– Zoning and Permitting” herein for more information.

The Developer and/or District is in the process of negotiating and expects to enter into separate agreements with the County and/or with the City and/or the Tohopekaliga Water Authority, which will grant the District mobility fee credits to pay the costs of the oversizing of certain roads and/or utility impact

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\* Preliminary, subject to change.



fee credits to pay the costs of the oversizing of certain sanitary sewer, potable water and reclaimed water utility systems, respectively.

The Developer and/or District expects to receive approximately \$10 million (which amount is subject to change) in mobility fee and utility impact fee credits, which it will sell to the Developer (if the District receives impact fee credits and mobility fee credits) or homebuilders and use the proceeds thereof to fund the portion of the costs of the Assessment Area Three Project related to such oversizing. The Developer or the District is obligated to pay all of the costs of oversizing that are not ultimately funded from the proceeds of the sale of the credits.

Additional series of bonds may be issued in the future to finance future phases of the Development. The Series 2021 Bonds and the Series 2022 Bonds are, and such additional series of bonds will be, secured by special assessments levied on lands which are separate and distinct from the lands securing the Series 2025 Bonds. See “SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2025 BONDS – Additional Obligations” herein for more information.

The District Engineer has indicated that it is reasonable to assume that all necessary regulatory approvals to construct the Assessment Area Three Project that are set forth in the Engineer’s Report have been obtained or will be obtained in due course. In addition to the Engineer’s Report, please refer to “THE DEVELOPMENT – Zoning and Permitting” for a more detailed description of the entitlement and permitting status of the Development. See “APPENDIX A – ENGINEER’S REPORT” for more information regarding the above improvements.

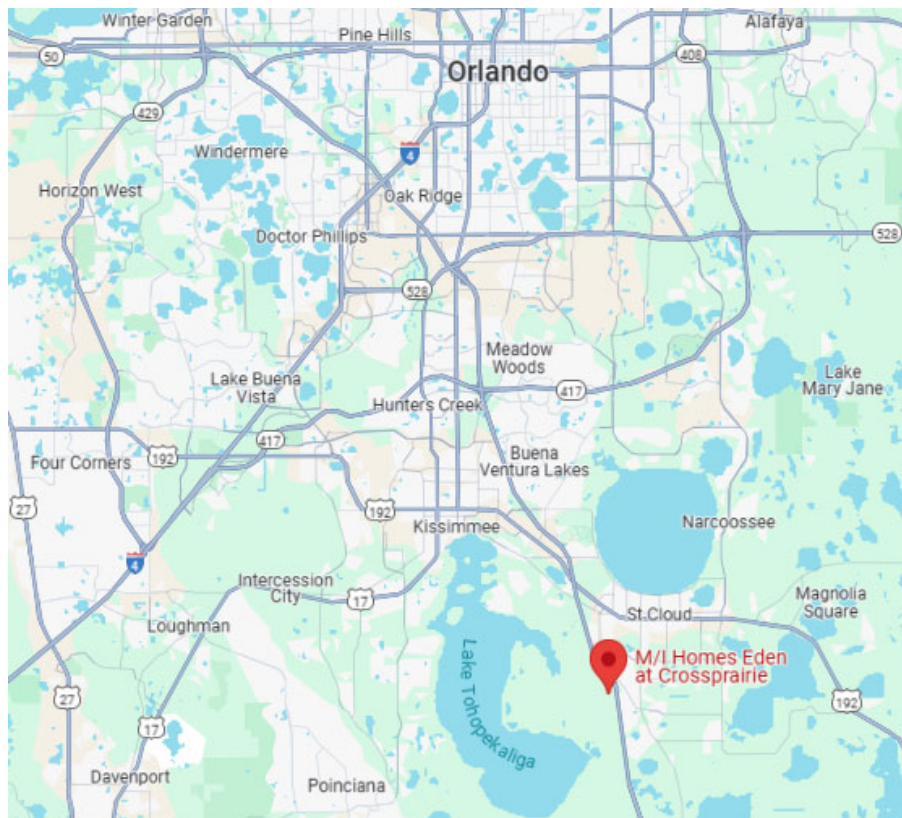
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*The information appearing below under the captions “THE DEVELOPMENT” and “THE DEVELOPER” has been furnished by the Developer for inclusion in this Limited Offering Memorandum and, although believed to be reliable, such information has not been independently verified by Bond Counsel, the District or its counsel, or the Underwriter or its counsel, and no persons other than the Developer make any representation or warranty as to the accuracy or completeness of such information supplied by them. The following information is provided by the Developer as a means for the prospective bondholders to understand the anticipated development plan and risks associated with the Development. Neither the Developer nor any other affiliate of the Developer is guaranteeing payment of the Series 2025 Bonds or the Series 2025 Special Assessments.*

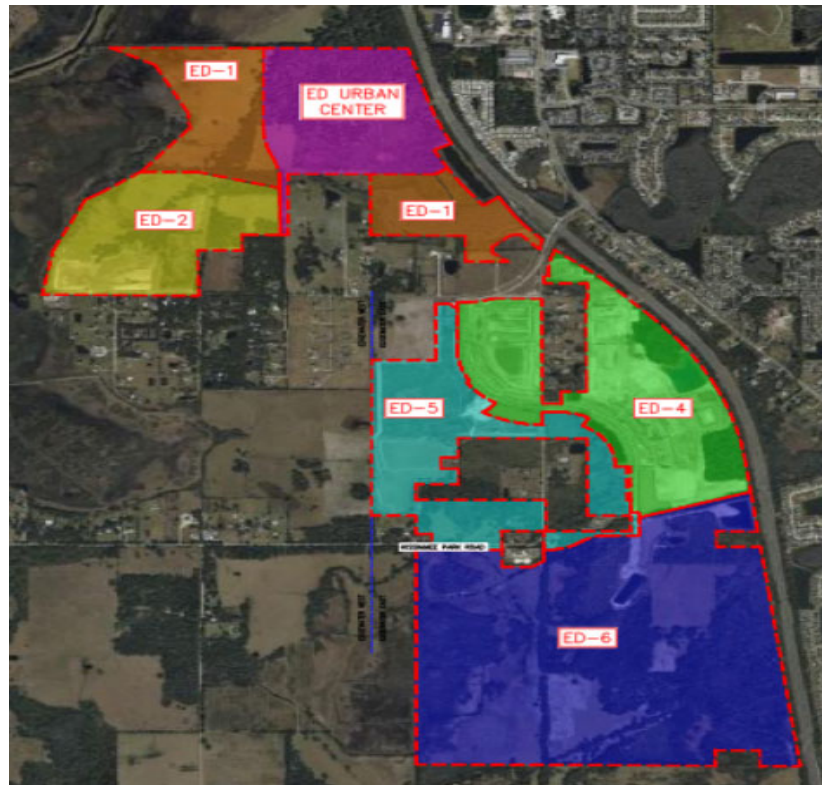
## THE DEVELOPMENT

### General

The District Lands currently encompass approximately 1,390.074+/- gross acres of land located within the City of St. Cloud, Florida. The District Lands are being developed as an approximately 4,608+/- unit master planned residential community to be known as “Crossprairie” and referred to herein as the “Development.” The general location of the Development is east of Lake Tohopekaliga, west of the Florida Turnpike, north of Gator Bay Slough, and on each side of Kissimmee Park Road. The Development is approximately thirty minutes away from the Disney World Resort and the Orlando International Airport. The Development is generally located in the Lake Tohopekaliga area of the County, which is experiencing rapid growth. Nearby communities include Tohoqua, Kindred, Hanover Lakes and Twin Lakes. Other nearby communities to be developed in the near future include Toho Trace by BTI, Kissimmee Park by Metro Development, Waterlin by Wheelock and Bella Tara by Centerline Capital. The Development will serve as a bedroom community to the Orlando, Florida metropolitan service area. Set forth below is a map which depicts the approximate location of the Development.



Land development associated with the Development will occur in multiple phases. Assessment Area One consists of approximately 208.91+/- gross acres within parcel ED-4 and is planned to contain 1,073+/- residential units (“Assessment Area One”). Assessment Area Two consists of approximately 687.69+/- gross acres within parcels ED-5, ED-2, and ED-6 North and is planned to contain 2,039+/- residential units (“Assessment Area Two”). Assessment Area Three consists of approximately 286.8+/- gross acres within parcel ED-6 South and is planned to contain approximately 679+/- residential units (“Assessment Area Three”). Set forth below is a map which depicts the parcels within the Development.



The District previously issued its Series 2021 Bonds and Series 2022 Bonds to finance certain portions of each of the Assessment Area One Project and the Assessment Area Two Project, respectively. The Assessment Area One Project is substantially complete, and the Assessment Area Two Project is expected to be completed in the third calendar quarter of 2025. See “THE DEVELOPMENT – Update on Assessment Area One and Assessment Area Two” herein for more information.

The District is issuing its Series 2025 Bonds to finance a portion of the Assessment Area Three Project. The Series 2025 Bonds will be secured by the Series 2025 Special Assessments, which will initially be levied on the approximately 286.8+/- gross acres of land which compose Assessment Area Three. As platting of the residential units within Assessment Area Three occurs, the Series 2025 Special Assessments will be assigned to the 679+/- residential units planned for Assessment Area Three on a first platted, first assigned basis as set forth in the Assessment Methodology attached hereto. To the extent that any residential land within Assessment Area Three which has not been platted is sold, the Series 2025 Special Assessments will be assigned to such parcel at the time of the sale based upon the development rights associated with such parcel that are transferred from seller to buyer. See “APPENDIX E – ASSESSMENT METHODOLOGY” attached hereto and “– Taxes, Fees and Assessments” herein for more information.

Additional series of bonds may be issued in the future to finance future phases of the Development. The Series 2021 Bonds and the Series 2022 Bonds are, and such additional series of bonds will be, secured

by special assessments levied on lands which are separate and distinct from the lands securing the Series 2025 Bonds. See “SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2025 BONDS – Additional Obligations” herein for more information.

Edgewater Property Holdings, LLC, a Delaware limited liability company doing business in Florida as Edgewater Property Florida Holdings, LLC (the “Developer”), is the developer of the Development and the landowner of the lands securing the Series 2025 Bonds. The Developer and/or the District will install the master infrastructure improvements; and the Developer intends to sell permitted, undeveloped parcels to the Land Purchasers or other builders, who will, in turn, install the Neighborhood Infrastructure associated with the lands securing the Series 2025 Bonds. As more particularly described herein, the Developer has entered into contracts for an aggregate of 605 of the 679 planned lots within Assessment Area Three with: (i) Tamarack (as defined herein) for the sale of land planned for 224+/- lots located within Assessment Area Three, and (ii) M/I Homes (as defined herein) for the sale of land planned for 381+/- lots located within Assessment Area Three, each with master infrastructure installed (collectively, the “Land Sale Contracts”). Tamarack and M/I Homes are collectively referred to herein as the “Land Purchasers.” There can be no assurance that any of the Land Purchasers will close on their respective Land Sale Contracts. The Developer expects to enter into a contract with one or more homebuilders for the remaining 74 planned lots within Assessment Area Three by the fourth calendar quarter of 2025. Pursuant to an agreement between Tamarack and K. Hovnanian’s Four Seasons at Crossprairie, LLC, a Florida limited liability company (“K. Hovnanian”), Tamarack has agreed to install the parcel infrastructure for the 224 lots subject to the Tamarack Contract and convey such finished lots to K. Hovnanian. K. Hovnanian will market and construct the 224 planned homes for sale to homebuyers. See “THE DEVELOPMENT — Land Sale Contracts” and “BONDOWNERS’ RISKS” for more information on the Land Purchasers and the Land Sale Contracts.

At build-out, the Series 2025 Special Assessments are ultimately expected to be assigned to 679+/- residential units, consisting of (i) 223 townhome/duplex units, and (iii) 456 single-family homes. Townhome/duplex units are expected to range in size from approximately 1,000 square feet to 2,000 square feet and starting price points are expected to average approximately \$250,000. Single-family units are expected to range in size from approximately 1,200 square feet to 4,000 square feet and price points are expected to average approximately \$350,000. The target customers for townhome/duplex and single-family units for the lands securing the Series 2025 Bonds are first time homeowners and move up buyers. See “THE DEVELOPMENT — Residential Product Offerings” herein for more information.

### **Update on Assessment Area One and Assessment Area Two**

Assessment Area One. The District previously issued its Series 2021 Bonds to finance a portion of the Assessment Area One Project. The Assessment Area One Project is substantially complete. All 1,073 lots planned for Assessment Area One have been developed, platted, and closed with homebuilders. As of April 2025, approximately 564 homes have closed with homebuyers and an additional 77 homes are under contract pending closing within Assessment Area One. The homebuilders within Assessment Area One are JCH CP, LLC (d/b/a Jones Homes), M/I Homes of Orlando, LLC, and Meritage Homes of Florida, Inc.

Assessment Area Two. The District subsequently issued its Series 2022 Bonds to finance a portion of the Assessment Area Two Project. The Assessment Area Two Project is underway and expected to be completed in the third calendar quarter of 2025. Assessment Area Two was originally planned to contain 1,990 residential units consisting of (i) 570 units within parcel ED-5, (ii) 648 units within parcel ED-2, and (iii) 772 units within parcel ED-6 North. Due to a change in development plans, parcel ED-6 North (originally planned to contain 772 units) is now planned to contain 821 units. The homebuilders within Assessment Area Two are Lennar Homes, LLC, Beazer Homes, LLC, K Hovnanian, David Weekley Homes and M/I Homes of Orlando, LLC.

With respect to Assessment Area Two, Lennar Homes is under contract to purchase all 648 lots planned for parcel ED-2 in a series of three separate takedowns. Lennar Homes closed on 323 lots in June 2024. The second and third takedowns of 142 lots and 183 lots within parcel ED-2, respectively, are expected to occur in December 2025 and December 2026, respectively. Beazer Homes closed on 245 lots planned for parcel ED-5 in March 2024.

The remaining land within parcel ED-5 planned for approximately 325 multifamily apartment units is not under contract at this time.

Parcel ED-6 (which includes both ED-6 North within Assessment Area Two and ED-6 South within Assessment Area Three) is under contract with (i) Tamarack for 641 lots to be purchased in a series of three takedowns, (ii) David Weekley Homes for 404 lots to be purchased in two separate takedowns, and (iii) M/I Homes for 381 lots to be purchased in two separate takedowns. Tamarack closed on 204 lots in December 2024 and David Weekley closed on 241 lots in November 2024. M/I Homes first takedown is expected to occur in the third calendar quarter of 2025. Tamarack has agreed to install the parcel infrastructure for the 224 lots subject to the Tamarack Contract and convey such finished lots to K. Hovnanian. K. Hovnanian will market and construct the 224 planned homes for sale to homebuyers.

As of December 30, 2024, of the 2,039 units planned to secure the Series 2022 Bonds, 1,013 lots have closed with homebuilders. Sales within Assessment Area Two are expected to commence in the third calendar quarter of 2025.

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

The Developer acquired the 1,390.074+/- gross acres of land currently within the District in a series of transactions for approximately \$42,116,154 in the aggregate.

The District Engineer estimates that the total master infrastructure development costs associated with Assessment Area Three will be approximately \$23,870,000. As of April 2025, the Developer has spent approximately \$53.6 million in land development costs associated with the Development. The net proceeds from the Series 2025 Bonds are expected to be approximately \$8.3 million\* and such proceeds will be used by the District towards the funding of construction and/or acquisition of the Assessment Area Three Project. Assessment Area Three Project costs not funded with the Series 2025 Bonds or future bonds will be paid for with land sale proceeds and/or equity. The Developer will enter into a Completion Agreement that will obligate the Developer to complete any portions of the Assessment Area Three Project not funded with proceeds of the Series 2025 Bonds or future bonds.

The Land Purchasers or other builders will be responsible for installing the Neighborhood Infrastructure within their parcels, which is estimated will cost approximately \$1,300 per linear foot per residential lot to complete, exclusive of any private amenities that each homebuilder may construct within their respective Neighborhoods. See “BONDOWNERS’ RISKS – No. 18” herein.

### **Development Plan/Status**

The Developer and/or the District will install the master infrastructure improvements. The Developer intends to sell permitted, undeveloped parcels (“Neighborhoods”) to the Land Purchasers, who will install the parcel-specific infrastructure improvements for the respective Neighborhoods they purchase within Assessment Area Three (the “Neighborhood Infrastructure”), as further described below.

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\* Preliminary, subject to change.

Master Infrastructure. The installation of master infrastructure associated with Assessment Area Three is expected to commence in July 2025 and is expected to be completed by the fourth calendar quarter of 2026.

Parcel Infrastructure. Assessment Area Three contains Phase 3B, Phase 4B, Phase 3A, Phase 4A and Phase 5A, each within parcel ED-6 South. Phases 1 and 2 are within parcel ED-6 North within Assessment Area Two. The Land Purchasers or other builders will be responsible for installation of all Neighborhood Infrastructure within their respective parcels they purchased within Assessment Area Three, as further described below.

*M/I Homes Parcels.* Phase 3B of parcel ED-6 South is planned for 176 lots (“Phase 3B”) and Phase 4B of parcel ED-6 South is planned for 205 lots (“Phase 4B” and, together with Phase 3B, the “M/I Homes Parcels”). All 381 planned lots within the M/I Homes Parcels are under contract with M/I Homes. M/I Homes is expected to close on Phase 3B in September 2025, at which point parcel infrastructure installation associated with Phase 3B is expected to commence, with completion expected by the first calendar quarter of 2027. Sales and vertical construction are expected to commence shortly thereafter with home deliveries expected by the fourth calendar quarter of 2027. M/I Homes is expected to close on Phase 4B in March 2027, at which point parcel infrastructure installation for Phase 4B is expected to commence. Permit applications have been submitted for the parcel infrastructure improvements associated with all 381 lots planned within the M/I Homes Parcels, with approvals expected by the fourth calendar quarter of 2025.

*Tamarack Parcels.* Phase 3A of parcel ED-6 South is planned for 89 lots (“Phase 3A”) and Phase 4A of parcel ED-6 South is planned for 135 lots (“Phase 4A” and, together with Phase 3A, the “Tamarack Parcels”). All 224 planned lots within the Tamarack Parcels are under contract with Tamarack, who is installing the parcel infrastructure for the 224 planned lots and conveying finished lots to K. Hovnanian. Tamarack is expected to close on all 224 planned lots within the Tamarack Parcels in May 2028, at which point parcel infrastructure installation associated with the Tamarack Parcels is expected to commence, with completion expected by the third calendar quarter of 2029. Tamarack is expected to deliver finished lots to K. Hovnanian, at which point sales and vertical construction are expected to commence with home deliveries expected by the second calendar quarter of 2030. Permit applications for the parcel infrastructure improvements associated with all 224 lots planned for the Tamarack Parcels were submitted in March 2025, with approvals expected by the first calendar quarter of 2026.

*Phase 5A.* Phase 5A of parcel ED-6 South is planned for 74 lots (“Phase 5A”). Permit applications for the parcel infrastructure improvements associated with Phase 5A are expected to be submitted in the third calendar quarter of 2025, with approvals expected by the third calendar quarter of 2026. The Developer expects to enter into a contract with one or more homebuilders for the 74 planned lots within Phase 5A by the fourth calendar quarter of 2025, which is expected to close by the second calendar quarter of 2026. Parcel infrastructure improvements are expected to commence after such closing, with completion expected by the fourth calendar quarter of 2027. Sales and vertical construction are expected to commence thereafter with home deliveries expected by the second calendar quarter of 2028.

There can be no assurance that any of the Land Purchasers will close on their respective Land Sale Contracts. See “BONDOWNERS’ RISKS” herein.

The Developer anticipates that approximately 150 units will be sold and closed with homebuyers per annum until build out. This anticipated absorption, and commencement and completion dates for master infrastructure, Neighborhood Infrastructure, home construction, sales center and sales are based upon estimates and assumptions made by the Developer that are inherently uncertain, 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

that such absorption rate and commencement and completion dates for home construction, master infrastructure, Neighborhood Infrastructure, home construction, sales center and sales will occur or be realized in the time frame anticipated. See “BONDOWNERS’ RISKS” herein.

## **Land Sale Contracts**

The Developer has entered into Land Sale Contracts to sell the land planned for 605 lots of the 679 lots ultimately planned to be assigned the Series 2025 Special Assessments. The Developer expects to enter into a contract with one or more homebuilders for the remaining 74 planned lots within Assessment Area Three by the fourth calendar quarter of 2025. The inspection periods for the Land Sale Contracts have expired, and the Land Purchasers have made non-refundable deposits to the Developer subject to typical closing conditions. Pursuant to the Land Sale Contracts, Land Purchasers are under contract to acquire permitted, undeveloped parcels with master infrastructure serving their respective Neighborhoods. The total expected consideration for all 679 lots planned to be assigned the Series 2025 Special Assessments is estimated to be approximately \$27 million, of which \$23.3 million is attributable to the Land Sale Contracts entered into by Tamarack and M/I Homes.

Tamarack Contract. The Developer has entered into a Purchase and Sale Agreement (Crossprairie – ED-6) dated September 20, 2023, as amended, and assigned to Tamarack Land-Crossprairie, LLC, a Delaware limited liability company (“Tamarack”) for the sale of land planned for 642+/- lots within parcel ED-6 (of which 224+/- planned lots are within Assessment Area Three) (the “Tamarack Contract”), consisting of 196 townhome lots and 446 single-family lots (of which 76 townhome lots and 148 single-family lots are within Assessment Area Three). The 76 townhome lots and 148 single-family lots within Assessment Area Three are to be purchased in one bulk takedown, with the closing anticipated to occur prior to the end of 2028. The closing date will be determined based on when Tamarack closes on other lots within the Development, as well as Tamarack’s contractual options to extend the closing date. The Tamarack Contract provides for a purchase price of \$1,000 per front foot for each lot within Assessment Area Three (or \$10.51 million in the aggregate). In connection with the Tamarack Contract, Tamarack has made an initial deposit of \$25,000 and a second deposit of \$1,827,100 on December 28, 2023, of which (i) \$879,300 was applied to the purchase price for Tamarack’s closing on lots outside of Assessment Area Three, and (ii) \$972,800 is currently being held and will remain in escrow in accordance with the terms of the Tamarack Contract. Tamarack is required to make a third deposit of \$1,051,000 following the issuance of a notice to proceed for the purchase of the lots within Assessment Area Three, which is expected January 2028. In the event Tamarack does not close on the land pursuant to the terms of the Tamarack Contract, the Developer’s sole and exclusive remedy is retention of the applicable deposits. In the event the Developer is not able to satisfy the conditions in the Tamarack Contract, there is a risk that Tamarack will not close on the lots within the District that are the subject of the Tamarack Contract.

Pursuant to an agreement between Tamarack and K. Hovnanian’s Four Seasons at Crossprairie, LLC, a Florida limited liability company (“K. Hovnanian”), Tamarack has agreed to install the parcel infrastructure for the 224 lots subject to the Tamarack Contract and convey such finished lots to K. Hovnanian. K. Hovnanian will market and construct the 224 planned homes for sale to homebuyers.

Tamarack is a subsidiary of Tamarack Land Development, a full-service land development company which partners with landowners, municipalities, engineers, contractors, and homebuilders. Tamarack operates more than thirty projects across nine states with homebuilding partners including D.R. Horton, Lennar, Pulte, NVR, K Hovnanian, Dream Finders, David Weekley Homes, Richmond American Homes and Maronda Homes.

K Hovnanian Homes is affiliated with Hovnanian Enterprises, Inc. (“Hovnanian”). Hovnanian’s common stock trades on the New York Stock Exchange under the ticker symbol “HOV.” Hovnanian is



subject to the information requirements of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and in accordance therewith files reports, proxy statements and other information, including financial statements, with the Securities and Exchange Commission (the “SEC”). Such filings, particularly Hovnanian’s annual and quarterly reports filed on Form 10-K and Form 10-Q, set forth certain data relative to the consolidated results of operations and financial position of Hovnanian and its subsidiaries as of such date. The SEC maintains an Internet web site that contains reports, proxy and information statements and other information regarding registrants that file electronically with the SEC, including Hovnanian. The address of such website is [www.sec.gov](http://www.sec.gov). All documents subsequently filed by Hovnanian pursuant to the Exchange Act after the date of this Limited Offering Memorandum will be available for inspection in such manner as the SEC prescribes.

M/I Homes Contract. The Developer has entered into a Purchase and Sale Agreement (M/I Homes – Edgewater East) dated August 29, 2024, as amended, with M/I Homes of Orlando, LLC, a Florida limited liability company (“M/I Homes” and, together with Tamarack, the “Land Purchasers”) for the sale of land planned for 381+/- lots within parcel ED-6 (all of which are within Assessment Area Three) (the “M/I Homes Contract”), consisting of consisting of 147 townhome lots and 234 single-family lots. The 147 townhome lots and 234 single-family lots within Assessment Area Three are to be purchased in two takedowns. The first takedown is expected to occur on or about September 30, 2025, and the second takedown is expected to occur on or about March 30, 2027. The M/I Homes Contract provides for a purchase price of \$935 per front foot for each lot in the first takedown and \$1,000 per front foot for each lot in the second takedown (or \$13,083,550 in the aggregate). In connection with the M/I Homes Contract, M/I Homes has made an initial deposit of \$25,000 and a second deposit of \$1,275,000, which are being held in escrow. In the event M/I Homes does not close on the land pursuant to the terms of the M/I Homes Contract, the Developer’s sole and exclusive remedy is retention of the deposits. In the event the Developer is not able to satisfy the conditions in the M/I Homes Contract, there is a risk that M/I Homes will not close on the lots within the District that are the subject of the M/I Homes Contract.

M/I Homes is a wholly owned subsidiary of M/I Homes, Inc. M/I Homes, Inc.’s common stock trades on the New York Stock Exchange under the ticker symbol “MHO.” M/I Homes, Inc. is subject to the information requirements of the Exchange Act, and in accordance therewith files reports, proxy statements and other information, including financial statements, with the SEC. Such filings, particularly M/I Homes, Inc.’s annual and quarterly reports filed on Form 10-K and Form 10-Q, set forth certain data relative to the consolidated results of operations and financial position of M/I Homes, Inc. and its subsidiaries as of such date. The SEC maintains an Internet web site that contains reports, proxy and information statements and other information regarding registrants that file electronically with the SEC, including M/I Homes, Inc. The address of such website is [www.sec.gov](http://www.sec.gov). All documents subsequently filed by M/I Homes, Inc. pursuant to the Exchange Act after the date of this Limited Offering Memorandum will be available for inspection in such manner as the SEC prescribes.

There can be no assurance that any of the Land Purchasers will waive their due diligence contingencies, satisfy their closing conditions or close on their respective Land Sale Contracts. See “BONDOWNERS’ RISKS” herein.

*Neither the Land Purchasers nor any of the entities listed herein are guaranteeing payment of the Series 2025 Bonds or the Series 2025 Special Assessments. Neither the Land Purchasers nor any of the entities listed herein have entered into any agreements in connection with the Series 2025 Bonds.*



## Residential Product Offerings

The target customers for townhome/duplex and single-family units are entry-level and move up buyers that work in the Orlando metropolitan service area. Below is a summary of the expected types of units and price points for units.

<u>Product Type</u>	<u>Square Footage</u>	<u>Beds/Baths</u>	<u>Expected Finished Lot Price</u>	<u>Starting Price Points</u>
Townhome/Duplex	1,000 to 2,000	2 to 3 Bedrooms, 2 to 3 Baths	\$ 43,500	\$215,000
Single-Family 34'	1,200 to 3,000	3 to 4 Bedrooms, 2 to 3 Baths	67,150	250,000
Single-Family 50'	1,200 to 3,500	3 to 4 Bedrooms, 2 to 3 Baths	98,750	325,000
Single-Family 60'	1,200 to 4,000	3 to 5 Bedrooms, 2 to 4 Baths	118,500	375,000

## Zoning and Permitting

Zoning. The land within the Development, including, without limitation, the land therein subject to the Series 2025 Special Assessments, is zoned to allow for the contemplated residential uses described herein.

Permits. The District has entered into a Force Main Construction Agreement/Kissimmee Park Road with the Tohopekaliga Water Authority and other property owners, dated December 18, 2024, related to the construction of a 24-inch sewer force main to serve the Development and surrounding lands. The District will design, permit and construct the force main, with financial contributions from the other landowners. The District's share of the permitting and construction costs associated with the force main is approximately \$4 million, which was funded by the Developer. The District will receive utility impact fee credits for a portion of the approximately \$4 million contribution.

On-site Infrastructure Permits. The Developer received all approvals for the construction of Cross Prairie Parkway North, which include approvals from (i) the South Florida Water Management District ("SFWMD") in January 2024, (ii) the U.S. Army Corps of Engineers ("ACOE") in January 2025, (iii) the Tohopekaliga Water Authority in March 2025 and (iv) the County civil development permit in April 2025.

The Developer received all approvals for the construction of Cross Prairie Parkway South, which include approvals from (i) the County in December 2024, (ii) the Tohopekaliga Water Authority in January 2025, (iii) the SFWMD in February 2025 and (iv) the Florida Department of Environmental Protection ("FDEP") in January 2025.

Construction plan approval for the installation of Neighborhood Infrastructure within Assessment Area Three will be obtained as land development progresses. Permit applications have been submitted for the parcel infrastructure improvements associated with all 381 planned lots within the M/I Homes Parcels, with approvals expected by the fourth calendar quarter of 2025. Permit applications for the parcel infrastructure improvements associated with all 224 planned lots within the Tamarack Parcels were submitted in March 2025, with approvals expected by the first calendar quarter of 2026. Permit applications for the parcel infrastructure improvements associated with Phase 5A are expected to be submitted in the third calendar quarter of 2025, with approvals expected by the third calendar quarter of 2026.

The District Engineer has indicated that it is reasonable to assume that all necessary regulatory approvals to construct the Assessment Area Three Project that are set forth in the Engineer's Report have been obtained or will be obtained in due course.

## **Environmental**

A Phase I Environmental Site Assessment dated October 24, 2018 and a reliance letter dated August 23, 2019 were prepared by Geotechnical and Environmental Consultants, Inc. (collectively, the “ESA”), covering the land in the Development. The ESA revealed no recognized environmental conditions in connection with the Development. See “BONDOWNERS’ RISKS - No. 12” herein for more information regarding potential environmental risks.

## **Amenities**

The Development contains an approximately 50’ foot wide linear park system running the length of the Development from north and south along the multimodal corridor linking the Development’s various neighborhood centers, open recreation spaces and natural amenities. The Development also contains a 10’ foot wide continuous trail visible from the road that provides alternative transportation opportunities while creating paths that can be used for community events such as fun runs, 5k and 10k runs, etc. The linear parks also include a bioswale system planted with enhanced vegetation intended to both filter pollutants and nutrients from the roadway runoff, while creating an aesthetically pleasing element for both residents and the motoring public. The proposed bioswale is an integral part of a concept to advance developments to a more “Green” standard. Upgraded landscaping is expected to be provided in the linear parks, bioswales, open recreation areas and entry features, including landscaped medians and shade trees in the parkways along the multimodal corridor, trail system and at trail heads within the linear parks (collectively, the “Amenity”). Construction of the portion of the Amenity within Assessment Area Three will be completed as part of the Assessment Area Three Project.

Additionally, each homebuilder may construct its own private amenities in its Neighborhood that will be owned, operated and maintained by their respective homeowners’ association.

## **Utilities**

Potable water, wastewater treatment and reclaimed wastewater (reuse services) for the Development are expected to be provided by Tohopekaliga Water Authority. Electric power is expected to be provided by Orlando Utilities Commission. All utility services are available to the property.

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## Taxes, Fees and Assessments

As set forth in the Assessment Methodology, the Series 2025 Bonds will be secured by the Series 2025 Special Assessments, which will initially be levied on the approximately 286.8+/- gross acres of land which compose Assessment Area Three. As platting of the residential units within Assessment Area Three occurs, the Series 2025 Special Assessments will be assigned to the 679+/- residential units planned for Assessment Area Three on a first platted, first assigned basis as set forth in the Assessment Methodology attached hereto. To the extent that any residential land within Assessment Area Three which has not been platted is sold, the Series 2025 Special Assessments will be assigned to such parcel at the time of the sale based upon the development rights associated with such parcel that are transferred from seller to buyer. Assuming that all of the residential units are developed and platted, the following table summarizes the allocation of the Series 2025 Special Assessments on a per unit basis.

<u>Product Type</u>	<u>No. of Units</u>	<u>Annual Series 2025 Special Assessments</u> <u>Per Unit</u> <sup>*/**</sup>	<u>Series 2025 Bonds</u> <u>Par Debt Per Unit</u> <sup>*</sup>
Townhome/Duplex	223	\$ 797.55	\$10,321.97
Single-Family 2 <sup>(1)</sup>	109	1,042.55	13,492.77
Single-Family 1 <sup>(2)</sup>	347	1,303.19	16,865.96
<b>Total</b>	<b>679</b>		

\* Preliminary, subject to change.

\*\* This amount is grossed up to include early payment discounts and County collection fees, currently 6%.

(1) Single-Family 2 represents detached product with lot width under 50' ("Single-Family 2").

(2) Single-Family 1 represents detached product with lot width 50' wide or greater ("Single-Family 1").

The District anticipates levying assessments to cover its operation and maintenance costs that are estimated to range from approximately \$500 to \$650 per residential unit annually, which amounts are subject to change. In addition, residents will be required to pay homeowners' association fees which are currently estimated to be \$1,500 per residential unit annually, which amount is subject to change. The land within the District has been and is expected to continue to be subject to taxes and assessments imposed by taxing authorities other than the District. The total millage rate imposed on taxable properties in the District for 2024 was approximately 17.8485 mills, which millage rate is subject to change in any tax years after 2024. These taxes would be payable in addition to the Series 2025 Special Assessments and any other assessments levied by the District, which amount is subject to change. In addition, exclusive of voter approved millages levied for general obligation bonds, as to which no limit applies, the City, the County and the School District of Osceola County, Florida may each levy ad valorem taxes upon the land in the District. The District has no control over the level of ad valorem taxes and/or special assessments levied by other taxing authorities. It is possible that in future years taxes levied by these other entities could be substantially higher than in the current year.

## Education

The Developer dedicated land within the Development for the construction of a new high school in March 2024. Students in elementary school are expected to attend Neptune Elementary School, which was rated "C" by the Florida Department of Education for 2024. Students in middle school are expected to attend Neptune Middle School, which was rated "A" by the Florida Department of Education for 2024. Until such completion of the new high school, students in high school are expected to attend St. Cloud High School, which was rated "B" by the Florida Department of Education for 2024.

## Competition

The following communities have been identified by the Developer as being competitive with the Development, because of their proximity to the Development, price ranges and product types. Those communities include Tohoqua, Kindred, Hanover Lakes and Twin Lakes.

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

## THE DEVELOPER

Edgewater Property Holdings, LLC, a Delaware limited liability company doing business in Florida as Edgewater Property Florida Holdings, LLC (the “Developer”) is wholly owned by WCP Edgewater, L.P. (the “Parent LP”), whose general partner is WCP Edgewater GP, LLC (the “General Partner”). The members of the General Partner are BTI Holdings, LLC, a Florida limited liability company (“BTI”), and WCP GP Holding Company II, LLC, a Delaware limited liability company (“WCP GP”). The General Partner holds a two percent (2%) interest in the Parent LP. The limited partners of the Parent LP (collectively, the “LPs”), holding a ninety-eight percent (98%) interest, are composed of a number of institutional investors. WCP Investment Manager II, LLC, a Delaware limited liability company (“Westport”) is the investment manager of the Parent LP, with the authority and power to make investment decisions for the Parent LP. The Managing Member of the Developer is the Parent LP. The Developer has entered into a Development Management Agreement with Edgewater Property Florida Holdings III, LLC, a Delaware limited liability company, and BTI Edgewater Developer, LLC, a Florida limited liability company (“BTI Edgewater”), pursuant to which BTI Edgewater is responsible for managing the day-to-day affairs of the Development.

BTI and the principals of BTI are actively engaged in the development of the Development and are generally responsible for the execution of project development and management on the ground. BTI is a Florida-based real estate development and investment firm. With project participation as landowners, developers, asset managers and principal investors, BTI and its institutional partners have assembled a portfolio composed of approximately 8,000 acres of land, more than 17,500 units/lots, and over 2 million square feet of commercial and retail development. BTI has assembled an experienced team of development veterans. Key individuals of BTI include:

Noah Breakstone (Managing Partner): As CEO of BTI, Noah Breakstone provides the overall strategic direction and leadership for BTI’s diversified real estate portfolio. He brings over 30 years of real estate finance, construction and development experience to the table with over \$3.5 billion in transactions for single-family, multi-family, condominiums, master-planned communities, mixed-use developments and large-scale land tracts. Noah has been recognized nationally and regionally with some of the industry’s highest honors, including Florida’s Best Builder and Builder of the Year by the Builders Association of South Florida (BASF); honored as America’s Best Builder by the National Association of Home Builders (NAHB); and has been inducted into the Builders’ Hall of Fame.

Kevin Mays (Chief Operations Officer): As Chief Operating Officer of BTI, Kevin Mays leads the integration of the firm’s real estate development efforts throughout Florida. He is a Florida state licensed general contractor and real estate broker with 30 years of experience in all aspects of acquisition, diligence, land entitlement, horizontal and vertical development, and construction.

Westport, together with its investment manager affiliates, compose a real estate investment enterprise specializing in the opportunistic, distressed and core plus real estate arenas. Westport and such

investment manager affiliates provide domestic and international investment opportunities to institutional and private clients. Through its various funds, the firm invests in a wide variety of distressed, opportunistic and core plus real estate assets. The firm has offices in Stamford, Connecticut and Los Angeles, California.

*Neither the Developer, the Parent LP, the General Partner, the LPs, Westport, WCP GP, BTI, nor any of the other individuals or entities referenced above, nor any of their representative affiliates, are guaranteeing payment of the Series 2025 Bonds or the Series 2025 Special Assessments. None of the entities listed herein, other than the Developer, has entered into any agreements in connection with the issuance of the Series 2025 Bonds.*

## **ASSESSMENT METHODOLOGY**

### **General**

The Master Special Assessment Methodology Report dated August 26, 2020, as may be further supplemented from time to time (the “Master Methodology”), and as supplemented by a Third Supplemental Special Assessment Methodology Report for Assessment Area Three to be adopted by the Board prior to closing on the Series 2025 Bonds (the “Supplemental Methodology” and, together with the Master Methodology, “Assessment Methodology”) describes the methodology for allocation of the Series 2025 Special Assessments to the assessable lands securing the Series 2025 Bonds benefiting from the Assessment Area Three Project, has been prepared by Wrathell, Hunt and Associates, LLC, Boca Raton, Florida (the “Methodology Consultant”). See “EXPERTS” herein for more information. The Assessment Methodology is included herein as APPENDIX E.

As required by applicable law, when the Board determined to defray the cost of the Capital Improvement Plan through Special Assessments, it adopted a resolution generally describing the Capital Improvement Plan and the land to be subject to Special Assessments to pay the cost thereof. The District caused the Assessment Methodology and an assessment roll to be prepared, which showed the land to be assessed, the amount of the benefit to and the assessment against each lot or parcel of land and the number of annual installments in which the assessment was to be divided. Statutory notice was given to the owners of the property to be assessed and the Board conducted a public hearing to hear testimony from affected property owners as to the propriety and advisability of undertaking the Capital Improvement Plan and funding the same with Special Assessments. Following this hearing, the Board determined to proceed to levy Special Assessments and thereafter Special Assessments became legal, valid and binding liens upon the property against which the assessments were made.

Once levied and imposed, the Special Assessments, including the Series 2025 Special Assessments, are a first lien on the land against which assessed until paid or barred by operation of law, co-equal with other taxes and assessments levied by the District and other non-federal units of government. In accordance with the assessment proceedings, the District has prepared a Supplemental Methodology which applies the Master Methodology to the Series 2025 Special Assessments necessary to secure the Series 2025 Bonds. That Supplemental Methodology will be adopted in final form after the Series 2025 Bonds are sold. See “ENFORCEMENT OF ASSESSMENT COLLECTIONS” herein.

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## Projected Level of District Assessments

As set forth in the Assessment Methodology, the Series 2025 Bonds will be secured by the Series 2025 Special Assessments, which will initially be levied on the approximately 286.8+/- gross acres of land which compose Assessment Area Three. As platting of the residential units within Assessment Area Three occurs, the Series 2025 Special Assessments will be assigned to the 679+/- residential units planned for Assessment Area Three on a first platted, first assigned basis as set forth in the Assessment Methodology attached hereto. To the extent that any residential land within Assessment Area Three which has not been platted is sold, the Series 2025 Special Assessments will be assigned to such parcel at the time of the sale based upon the development rights associated with such parcel that are transferred from seller to buyer. Assuming that all of the residential units are developed and platted, the following table summarizes the allocation of the Series 2025 Special Assessments on a per unit basis.

<u>Product Type</u>	<u>No. of Units</u>	<u>Annual Series 2025 Special Assessments</u> <u>Per Unit<sup>*/**</sup></u>	<u>Series 2025 Bonds</u> <u>Par Debt Per Unit<sup>*</sup></u>
Townhome/Duplex	223	\$ 797.55	\$10,321.97
Single-Family 2 <sup>(1)</sup>	109	1,042.55	13,492.77
Single-Family 1 <sup>(2)</sup>	347	1,303.19	16,865.96
<b>Total</b>	<b>679</b>		

\* Preliminary, subject to change.

\*\* This amount is grossed up to include early payment discounts and County collection fees, currently 6%.

(1) Single-Family 2 represents detached product with lot width under 50' ("Single-Family 2").

(2) Single-Family 1 represents detached product with lot width 50' wide or greater ("Single-Family 1").

The District anticipates levying assessments to cover its operation and maintenance costs that are estimated to range from approximately \$500 to \$650 per residential unit annually, which amounts are subject to change. In addition, residents will be required to pay homeowners' association fees which are currently estimated to be \$1,500 per residential unit annually, which amount is subject to change. The land within the District has been and is expected to continue to be subject to taxes and assessments imposed by taxing authorities other than the District. The total millage rate imposed on taxable properties in the District for 2024 was approximately 17.8485 mills, which millage rate is subject to change in any tax years after 2024. These taxes would be payable in addition to the Series 2025 Special Assessments and any other assessments levied by the District, which amount is subject to change. In addition, exclusive of voter approved millages levied for general obligation bonds, as to which no limit applies, the City, the County and the School District of Osceola County, Florida may each levy ad valorem taxes upon the land in the District. The District has no control over the level of ad valorem taxes and/or special assessments levied by other taxing authorities. It is possible that in future years taxes levied by these other entities could be substantially higher than in the current year.

## True-Up Mechanism

To ensure that each residential lot in Assessment Area Three is assessed no more than its pro-rata amount of special assessments, the Assessment Methodology sets forth a "true-up mechanism" which provides that the debt per equivalent residential unit ("ERU") remaining on the unplatted land is never allowed to increase above its maximum debt per ERU level. If the debt per ERU remaining on unplatted land increases above the maximum debt per ERU level, a debt reduction payment would be made by the Developer so that the maximum debt per ERU level is not breached. This debt reduction payment would result in the extraordinary mandatory redemption of a portion of the Series 2025 Bonds. The Developer is expected to enter into a True-Up Agreement in connection with its obligations to pay true-up payments in the event that the debt per ERU remaining on unplatted land increases above the maximum debt per ERU level. See "SECURITY FOR AND SOURCE OF PAYMENT OF SERIES 2025 BONDS – True-Up

Agreement” and “APPENDIX E – ASSESSMENT METHODOLOGY” herein for additional information regarding the “true-up mechanism.”

## **TAX MATTERS**

The Internal Revenue Code of 1986, as amended (the “Code”), includes requirements which the District must continue to meet after the issuance of the Series 2025 Bonds in order that the interest on the Series 2025 Bonds be and remain excludable from gross income for federal income tax purposes. The District’s failure to meet these requirements may cause the interest on the Series 2025 Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2025 Bonds. The District has covenanted in the Indenture to take the actions required by the Code in order to maintain the exclusion from gross income for federal income tax purposes of interest on the Series 2025 Bonds.

In the opinion of Greenberg Traurig, P.A., Bond Counsel, assuming the accuracy of certain representations and certifications and continuing compliance by the District with the tax covenants referred to above, under existing statutes, regulations, rulings and court decisions, the interest on the Series 2025 Bonds is excludable from gross income of the holders thereof for federal income tax purposes. Interest on the Series 2025 Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. In the case of the alternative minimum tax imposed by Section 55(b)(2) of the Code on applicable corporations (as defined in Section 59(k) of the Code), interest on the Series 2025 Bonds is not excluded from the determination of adjusted financial statement income. Bond Counsel is further of the opinion that the Series 2025 Bonds and the income thereon are not subject to taxation under the laws of the State, except as to estate taxes and taxes under Chapter 220, Florida Statutes, on interest, income or profits on debt obligations owned by corporations as defined in said Chapter 220. Bond Counsel will express no opinion as to any other tax consequences regarding the Series 2025 Bonds. Prospective purchasers of the Series 2025 Bonds should consult their own tax advisors as to the status of interest on the Series 2025 Bonds under the tax laws of any state other than the State.

The above opinion on federal tax matters with respect to the Series 2025 Bonds will be based on and will assume the accuracy of certain representations and certifications of the District and the Developer, and compliance with certain covenants of the District to be contained in the transcript of proceedings and that are intended to evidence and assure the foregoing, including that the Series 2025 Bonds will be and will remain obligations, the interest on which is excludable from gross income for federal income tax purposes. Bond Counsel will not independently verify the accuracy of those certifications and representations. Bond Counsel will express no opinion as to any other consequences regarding the Series 2025 Bonds.

Except as described above, Bond Counsel will express no opinion regarding the federal income tax consequences resulting from the receipt or accrual of the interest on the Series 2025 Bonds, or the ownership or disposition of the Series 2025 Bonds. Prospective purchasers of Series 2025 Bonds should be aware that the ownership of Series 2025 Bonds may result in other collateral federal tax consequences, including (i) the denial of a deduction for interest on indebtedness incurred or continued to purchase or carry the Series 2025 Bonds, (ii) the reduction of the loss reserve deduction for property and casualty insurance companies by the applicable statutory percentage of certain items, including the interest on the Series 2025 Bonds, (iii) the inclusion of the interest on the Series 2025 Bonds in the earnings of certain foreign corporations doing business in the United States for purposes of a branch profits tax, (iv) the inclusion of the interest on the Series 2025 Bonds in the passive income subject to federal income taxation of certain Subchapter S corporations with Subchapter C earnings and profits at the close of the taxable year, (v) the inclusion of interest on the Series 2025 Bonds in the determination of the taxability of certain Social Security and Railroad Retirement benefits to certain recipients of such benefits, (vi) net gain realized upon the sale or

other disposition of property such as the Series 2025 Bonds generally must be taken into account when computing the Medicare tax with respect to net investment income or undistributed net investment income, as applicable, imposed on certain high income individuals and specified trusts and estates and (vii) receipt of certain investment income, including interest on the Series 2025 Bonds, is considered when determining qualification limits for obtaining the earned income credit provided by Section 32(a) of the Code. The nature and extent of the other tax consequences described above will depend on the particular tax status and situation of each owner of the Series 2025 Bonds. Prospective purchasers of the Series 2025 Bonds should consult their own tax advisors as to the impact of these and any other tax consequences.

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

### **Original Issue Discount and Premium**

Certain of the Series 2025 Bonds ("Discount Bonds") may be offered and sold to the public at an original issue discount ("OID"). OID is the excess of the stated redemption price at maturity (the principal amount) over the "issue price" of a Discount Bond determined under Code Section 1273 or 1274 (i.e., for obligations issued for money in a public offering, the initial offering price to the public (other than to bond houses and brokers) at which a substantial amount of the obligation of the same maturity is sold pursuant to that offering). For federal income tax purposes, OID accrues to the owner of a Discount Bond over the period to maturity based on the constant yield method, compounded semiannually (or over a shorter permitted compounding interval selected by the owner). The portion of OID that accrues during the period of ownership of a Discount Bond (i) is interest excludable from the owner's gross income for federal income tax purposes to the same extent, and subject to the same considerations discussed above, as other interest on the Series 2025 Bonds, and (ii) is added to the owner's tax basis for purposes of determining gain or loss on the maturity, redemption, prior sale or other disposition of that Discount Bond.

Certain of the Series 2025 Bonds ("Premium Bonds") may be offered and sold to the public at a price in excess of their stated redemption price (the principal amount) at maturity (or earlier for certain Premium Bonds callable prior to maturity). That excess constitutes bond premium. For federal income tax purposes, bond premium is amortized over the period to maturity of a Premium Bond, based on the yield to maturity of that Premium Bond (or, in the case of a Premium Bond callable prior to its stated maturity, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on that Premium Bond), compounded semiannually (or over a shorter permitted compounding interval selected by the owner). No portion of that bond premium is deductible by the owner of a Premium Bond. For purposes of determining the owner's gain or loss on the sale, redemption (including redemption at maturity) or other disposition of a Premium Bond, the owner's tax basis in the Premium Bond is reduced by the amount of bond premium that accrues during the period of ownership. As a result, an owner may realize taxable gain for federal income tax purposes from the sale or other disposition of a Premium Bond for an amount equal to or less than the amount paid by the owner for that Premium Bond.

Owners of Discount and Premium Bonds should consult their own tax advisors as to the determination for federal income tax purposes of the amount of OID or bond premium properly accruable



in any period with respect to the Discount or Premium Bonds and as to other federal tax consequences, and the treatment of OID and bond premium for purposes of state and local taxes on, or based on, income.

### **Information Reporting and Backup Withholding**

Interest paid on tax-exempt bonds such as the Series 2025 Bonds is subject to information reporting to the Internal Revenue Service in a manner similar to interest paid on taxable obligations. This reporting requirement does not affect the excludability of interest on the Series 2025 Bonds from gross income for federal income tax purposes. However, in conjunction with that information reporting requirement, the Code subjects certain non-corporate owners of Series 2025 Bonds, under certain circumstances, to “backup withholding” at the rates set forth in the Code, with respect to payments on the Series 2025 Bonds and proceeds from the sale of Series 2025 Bonds. Any amount so withheld would be refunded or allowed as a credit against the federal income tax of such owner of Series 2025 Bonds. This withholding generally applies if the owner of Series 2025 Bonds (i) fails to furnish the payor such owner’s social security number or other taxpayer identification number (“TIN”), (ii) furnished the payor an incorrect TIN, (iii) fails to properly report interest, dividends, or other “reportable payments” as defined in the Code, or (iv) under certain circumstances, fails to provide the payor or such owner’s securities broker with a certified statement, signed under penalty of perjury, that the TIN provided is correct and that such owner is not subject to backup withholding. Prospective purchasers of the Series 2025 Bonds may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

### **Changes in Federal and State Tax Law**

From time to time, there are legislative proposals suggested, debated, introduced or pending in Congress or in the State legislature that, if enacted into law, could alter or amend one or more of the federal tax matters, or state tax matters, respectively, described above including, without limitation, the excludability from gross income of interest on the Series 2025 Bonds, adversely affect the market price or marketability of the Series 2025 Bonds, or otherwise prevent the holders from realizing the full current benefit of the status of the interest thereon. It cannot be predicted whether or in what form any such proposal may be enacted, or whether, if enacted, any such proposal would affect 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.

PROSPECTIVE PURCHASERS OF THE SERIES 2025 BONDS ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS PRIOR TO ANY PURCHASE OF THE SERIES 2025 BONDS AS TO THE IMPACT OF THE CODE UPON THEIR ACQUISITION, HOLDING OR DISPOSITION OF THE SERIES 2025 BONDS.

### **AGREEMENT BY THE STATE**

Under the Act, the State pledges to the holders of any bonds issued thereunder, including the Series 2025 Bonds, that it will not limit or alter the rights of the issuer of such bonds, including the District, to own, acquire, construct, reconstruct, improve, maintain, operate or furnish the projects, including the Assessment Area Three Project, subject to the Act or to levy and collect taxes, assessments, rentals, rates, fees and other charges provided for in the Act and to fulfill the terms of any agreement made with the holders of such bonds and that it will not in any way impair the rights or remedies of such holders.

## **LEGALITY FOR INVESTMENT**

The Act provides the Series 2025 Bonds are legal investments for savings banks, banks, trust companies, insurance companies, executors, administrators, trustees, guardians, and other fiduciaries, and for any board, body, agency, instrumentality, county, municipality or other political subdivision of the State, and constitute securities that may be deposited by banks or trust companies as security for deposits of state, county, municipal or other public funds, or by insurance companies as required or voluntary statutory deposits.

## **SUITABILITY FOR INVESTMENT**

In accordance with applicable provisions of Florida law, the Series 2025 Bonds may initially be sold by the District only to “Accredited Investors” within the meaning of Chapter 517, Florida Statutes, and the rules of the Florida Department of Financial Services promulgated thereunder. The limitation of the initial offering to “Accredited Investors” does not denote restrictions of transfer in any secondary market for the Series 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.

The Series 2025 Bonds will be issued in fully registered form, without coupons, in authorized denominations of \$5,000 and any integral multiple thereof, provided, however, if any initial beneficial owner of Series 2025 Bonds 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 execute and deliver to the District and the Underwriter on the date of delivery of the Series 2025 Bonds the investor letter in the form attached to the Indenture or otherwise establish to the satisfaction of the Underwriter that such beneficial owner is an “accredited investor,” as described in Rule 501(a) under Regulation D of the Securities Act of 1933, as amended.

## **ENFORCEABILITY OF REMEDIES**

The remedies available to the owners of the Series 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.

## **FINANCIAL STATEMENTS**

The District will covenant in the Disclosure Agreement (as defined below), the form of which is set forth in APPENDIX D hereto, to provide its annual audit to the Municipal Securities Rulemaking Board’s (“MSRB”) Electronic Municipal Markets Access repository (“EMMA”) as described in APPENDIX D, commencing with the audit for the District’s Fiscal Year ending September 30, 2025. Attached hereto as APPENDIX F are copies of the District’s most recent unaudited financial statements for the fiscal year ended September 30, 2024 and the audited financial statements for the fiscal year ended September 30, 2023. The audited financial statements for the fiscal year ended September 30, 2024 and September 30, 2025 are expected to be available on or before June 30, 2025 and June 30, 2026, respectively. The Series 2025 Bonds are not general obligation bonds of the District and are payable solely from the Series 2025 Pledged Revenues.

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

## **LITIGATION**

The District. There is no litigation against the District of any nature now pending or, to the knowledge of the District threatened, 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 Assessment Proceedings.

The Developer. The Developer has represented to the District that there is no other litigation of any nature now pending or, to the knowledge of the Developer, threatened, which could reasonably be expected to have a material and adverse effect upon the ability of the Developer to complete the development of Assessment Area Three as described herein, materially and adversely affect the ability of the Developer to pay the Series 2025 Special Assessments imposed against the land within the District owned by the Developer, or materially and adversely affect the ability of the Developer to perform its obligations described in this Limited Offering Memorandum.

## **NO RATING**

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

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

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

## **CONTINUING DISCLOSURE**

The District and the Developer will enter into a Continuing Disclosure Agreement (the "Disclosure Agreement"), the proposed form of which is set forth in APPENDIX D, for the benefit of the Series 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 Assessment Area Three of the Development by certain dates prescribed in the Disclosure Agreement (the "Reports") through EMMA. The specific nature of the information to be contained in the Reports is set forth in "APPENDIX D – PROPOSED FORM OF DISCLOSURE AGREEMENT." Under certain circumstances, the failure of the

District and 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), as applicable, to bring an action for specific performance.

The District has previously entered into continuing disclosure obligations in connection with Rule 15c2-12 of the Securities Exchange Act of 1934, as amended (the “Rule”), relating to the Series 2021 Bonds (the “2021 Disclosure Agreement”) and the Series 2022 Bonds (the “2022 Disclosure Agreement”). During the past four years, the District has been in material compliance with such continuing disclosure obligations. The District has appointed the District Manager to serve as the Dissemination Agent for the Series 2025 Bonds.

Also, pursuant to the Disclosure Agreement, the Developer will covenant to provide certain financial information and operating data relating to the Development and the Developer, as applicable, on a quarterly basis. The Developer previously entered into the 2021 Disclosure Agreement and the 2022 Disclosure Agreement in connection with the Rule with respect to the Series 2021 Bonds and the Series 2022 Bonds, respectively. Due to an oversight, the quarterly reports for the calendar quarters ending June 30, 2021, December 31, 2021 and June 30, 2022, were filed four days late, three days late and fourteen days late, respectively. All other filings during the past four years have been timely filed and in material compliance with such undertaking. The Developer has committed to full compliance with its continuing disclosure undertakings going forward. See “APPENDIX D: PROPOSED FORM OF DISCLOSURE AGREEMENT.”

## **UNDERWRITING**

FMSbonds, Inc. (the “Underwriter”) has agreed to purchase the Series 2025 Bonds from the District at a purchase price of \$\_\_\_\_\_ (representing the par amount of the Series 2025 Bonds, [plus][less][net] original issue [premium][discount] of \$\_\_\_\_\_, less an Underwriter’s discount of \$\_\_\_\_\_). The Underwriter’s obligations are subject to certain conditions precedent and if obligated to purchase any of the Series 2025 Bonds the Underwriter will be obligated to purchase all of the Series 2025 Bonds. The Series 2025 Bonds may be offered and sold by the Underwriter at prices lower than the initial offering prices stated on the inside cover hereof, and such initial offering prices may be changed from time to time by the Underwriter.

## **EXPERTS**

Hanson, Walter & Associates, Inc., as District Engineer, has prepared the Engineer’s Report included herein as Appendix A, which report should be read in its entirety for complete information with respect to the subjects discussed therein. Wrathell, Hunt and Associates, LLC, as the District Manager, has prepared the Assessment Methodology included herein as Appendix E, which report should be read in its entirety for complete information with respect to the subjects discussed therein. As a condition to closing on the Series 2025 Bonds, both the District Engineer and the Methodology Consultant will consent to the inclusion of their reports in this Limited Offering Memorandum.

## **CONTINGENT FEES**

The District has retained Bond Counsel, District Counsel, the District Engineer, the Methodology Consultant, the Underwriter (who has retained Underwriter’s counsel) and the Trustee (who has retained Trustee’s Counsel), with respect to the authorization, sale, execution and delivery of the Series 2025 Bonds. Except for the payment of fees to District Counsel, the District Engineer and the Methodology Consultant,

the payment of fees of the other professionals is each contingent upon the issuance of the Series 2025 Bonds.

### **VALIDATION**

The Series 2025 Bonds have been validated and confirmed by a final judgment of the Ninth Judicial Circuit Court in and for the County dated October 6, 2020. The period of time for appeal of the judgment of validation of the Series 2025 Bonds expired on November 9, 2020 with no appeals being taken.

### **FORWARD-LOOKING STATEMENTS**

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

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

### **LEGAL MATTERS**

Certain legal matters related to the authorization, sale and delivery of the Series 2025 Bonds are subject to the approval of Greenberg Traurig, P.A., Miami, Florida, Bond Counsel. Certain legal matters will be passed upon for the Underwriter by its counsel Squire Patton Boggs (US) LLP, Miami, Florida. Certain legal matters will be passed upon for the District by its counsel, Kutak Rock LLP, Tallahassee, Florida, and for the Developer by its counsel, Rogers Towers, P.A., St. Augustine, Florida.

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

## **MISCELLANEOUS**

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

The references herein to the Series 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 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.

## **AUTHORIZATION AND APPROVAL**

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

EDGEWATER EAST COMMUNITY  
DEVELOPMENT DISTRICT

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

## **APPENDIX A**

### **ENGINEER'S REPORT**

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ENGINEER'S REPORT  
FOR THE  
EDGEWATER EAST COMMUNITY DEVELOPMENT DISTRICT

PREPARED FOR:  
  
BOARD OF SUPERVISORS  
EDGEWATER EAST COMMUNITY DEVELOPMENT DISTRICT

ENGINEER:  
HANSON, WALTER & ASSOCIATES, INC.  
8 Broadway, Suite 104  
Kissimmee, Florida 34741

August 26, 2020

## EDGEWATER EAST COMMUNITY DEVELOPMENT DISTRICT

### ENGINEER'S REPORT

#### 1. INTRODUCTION

The purpose of this report is to provide a description of the capital improvement plan ("CIP") and estimated costs of the CIP, for the Edgewater East Community Development District.

#### 2. GENERAL SITE DESCRIPTION

Edgewater is a mixed-use development established in the Osceola County Comprehensive Plan and a portion of Edgewater is served by the Edgewater East Community Development District. The development is in unincorporated Osceola County, Florida, lying in Sections 16, 17, 20, 21, 22, 27 and 28, Township 26 South and Range 30 east. More particularly as shown in **Exhibit 2.1** of the attached Appendix. The general location of the development is east of Lake Tohopekaliga, west of the Florida Turnpike, north of Gator Bay Slough and on each side of Kissimmee Park Road.

As noted in **Exhibit 2.2**, the District's boundaries include approximately 1284.72 acres of land located in Osceola County, Florida.

The District is within the City of St. Cloud Utility Service Area. The City will provide potable water, wastewater disposal and reclaimed water services to the development. Capacity for these utilities is available from St. Cloud Public Utilities.

A water plant owned and operated by the City of St. Cloud is in the northwest corner of ED-6. Potable Water connections will be made from water mains in both Kissimmee Park Road and Old Canoe Creek Road. An 18" and 24" water main currently exist within the Kissimmee Park Road Right of way. The mains continue north and cross the Florida Turnpike at Kissimmee Park Road, where they connect to existing city mains in Old Canoe Creek Road.

Wastewater from the development will be collected in gravity sewer mains that will be serviced by onsite lift stations that will pump the wastewater into a force main that will connect into either an existing force main in Old Canoe Creek Road east of Kissimmee Park Road or into a force main in West New Nolte Drive that will be brought to the site in coordination with the proposed Turnpike Interchange project at ED-1. There does exist a 6" force Main in Kissimmee Park road Right of way, however this main has little to no available capacity.

Reclaimed water will be secured from the City of St. Cloud via a connection to the existing main in Old Canoe Creek Road. The City will be constructing a reclaim Booster Pump Station in the near future to improve servicing the Development among other projects anticipated in the future.

Existing Utilities are shown in **Exhibit 2.3** of the Appendix.

The District is located within South Florida Water Management District Lake Tohopekaliga Basin. Conveyances to Lake Tohopekaliga will be via an FDOT outfall ditch (ED-1 and ED-2), the WPA Canal (ED-3, ED-4, ED-5, ED-7 and a portion of ED-6) and Gator Bay Slough (a portion of ED-6). The existing Drainage conditions are depicted in **Exhibit 2.4** of the Appendix.

### 3. PROPOSED EDGEWATER PROJECT PURPOSE AND SCOPE OF THE REPORT

The purpose of this report is to provide a description of the public infrastructure improvements ("Capital Improvement Plan" or "CIP") to be constructed and or acquired by the District, and to provide an apportionment of the categories of costs for the CIP. A corresponding assessment methodology will be developed by the District's methodology consultant. The CIP is intended to provide public infrastructure improvements for the lands within the District, which are planned for 3,548 residential units.

The proposed site plan for the District is attached as **Exhibit 3.1** to this report, and the plan enumerates the proposed lot count, by type, for the District. The following charts show the planned product types and land uses for the District:

TABLE 3.1  
LAND USE SUMMARY

Type of Use	ED-1	ED-2	ED-3	ED-4	ED-5	ED-6	ED-7	Total Project Area +/-
Residential*	249.27	84.94	0	252.37	171.49	505.05	0	1263.12
Open Space**	0	5.50	0	6.00	5.20	4.90	0	21.60
Total Area	249.27	90.44	0	258.37	176.69	509.95	0	1284.72
% of Total Area	19%	7%	0%	20%	14%	40%	0%	

\* Residential areas include a minimum of 20% open space which may include wetlands, stormwater ponds or green spaces.

\*\* Open Space represents Neighborhood Centers that will contain recreation and other uses in accordance with the Land Development Code.

TABLE 3.2  
PRODUCT TYPE SUMMARY

Type of Use	ED-1	ED-2	ED-3	ED-4	ED-5	ED-6	ED-7	Total
Single Family 1*	167	139	0	609	0	487	0	1402
Single Family 2**	0	139	0	150	219	133	0	641
Multi Family***	310	133	0	350	579	133	0	1505
Total	477	411	0	1109	798	753	0	3548

- \* Single Family 1 represents detached product with lot width 50 ft. wide or greater
- \*\* Single Family 2 represents detached product with lot width under 50 ft.
- \*\*\* Multi Family represents all attached product

Please note that the District may be expanded in the future to include additional lands depicted in this report as Expansion Parcels. While the public infrastructure improvements that are part of the District's CIP may in the future serve and benefit the lands within the Expansion Parcels, at present time the public infrastructure improvements' purpose is to serve and benefit the lands contained within the current boundaries of the District, as their provision as described herein is required for the development of lands contained within the current boundaries of the District. If, in the future, the boundaries of the District are expanded to include any or all of the Expansion Parcels, the costs of the CIP will be apportioned among all benefitted lands within the then boundaries of the District, to include the Expansion Parcels and such apportionment of the costs will be addressed in a supplement to this report and a supplement to the assessment methodology.

The CIP infrastructure includes the following Master Infrastructure, which is intended to serve all lands in the District:

#### **Roadway Improvements:**

The CIP includes framework roads within the District. Framework roads shall include Multi-Modal roadways, Boulevards and Avenues as defined in the Osceola County approved concept plan and within the Comprehensive Plan Map Series TRN Maps. **Exhibit 3.2** in the Appendix identifies the Multimodal street as well as the Boulevards and Avenues to service the area. The responsibility for improving the framework roads is limited to the ownership limits of the CDD. Roadways will consist of 4-lane divided and 2-lane divided and undivided typical sections with one roundabout on the north end of the Multimodal corridor to better distribute traffic generated from a future Turnpike interchange. Such roads include the roadway asphalt, base, and subgrade, roadway curb and gutter, inlets, culverts, striping and signage and sidewalks within rights-of-way. All roads will be designed in accordance with FDOT and Osceola County standards.

Internal roadways may be financed by the District, and may be dedicated to Osceola County for ownership, operation, and maintenance.

Impact fee credits may be available in the form of mobility fee credits based upon a negotiated mobility fee agreement with Osceola County, Florida. If the property is annexed into the City of St. Cloud, the impact fee credits would have to be negotiated with the City of St. Cloud in an Annexation Agreement. Osceola County currently provides for credits for all improvements and land dedication that exceeds the specific needs of the project. To the extent the District funds improvements which generate impact fee credits or mobility fee credits, the District shall receive the credits and can then sell or transfer such credits as allowed per law.

#### **Stormwater Management System:**

The stormwater collection and outfall system are a combination of roadway curbs, curb inlets, pipes, Bio swale, control structures and open lakes designed to treat and attenuate stormwater runoff from District lands. The stormwater system within the project discharges to Lake Tohopekaliga via three drainage systems (FDOT out fall ditch, Gator Bay Slough and the WPA Canal. The stormwater system will be designed consistent with the criteria established by the

South Florida Water Management District (SFWMD) and Osceola County for stormwater/floodplain management systems. The District will finance, own, operate and maintain the stormwater system, with the exception that the County will own, operate and maintain the inlets and storm sewer systems within County right-of-way.

NOTE: No private earthwork is included in the CIP. Accordingly, the District will not fund any costs of mass grading of lots.

**Water, Wastewater and Reclaim Utilities:**

As part of the CIP, the District intends to construct and/or acquire water, wastewater and reclaim infrastructure. In particular, the on-site water supply improvements include water mains that will be located within rights-of-way and used for potable water service and fire protection. Water main connections will be made at Kissimmee Park Road and Old Canoe Creek Road.

Wastewater improvements for the project will include an onsite 8" diameter gravity collection system, offsite and onsite force mains of varying diameter and onsite lift stations. The offsite force main connection will be made at Old Canoe Creek Road and West New Nolte Road.

Similarly, the reclaim water distribution system will be constructed to provide service for irrigation throughout the community and will consist of varying main sizes dependent on demand. An offsite reclaim connection will be made at Old Canoe Creek Road.

The water and reclaim distribution and wastewater collection systems for all phases will be completed by the District and then dedicated to City of St. Cloud for operation and maintenance. All mains will be designed and constructed in compliance with the City of St. Cloud and the Florida Department of Environmental Protection Standards.

The project will require extension of existing mains to the site, in addition to creating additional looped connections of mains on site that will both serve the proposed development and provide for expansion of the City infrastructure to service future developments. Mains or improvements that are increased in size to service development above the specific needs of the District improvements will be eligible for impact fee credits via an upside agreement with the City of St. Cloud. To the extent the District funds improvements which generate impact fee credits, the District shall receive the credits and can sell or transfer such credits as allowed by law. Distribution of the impact fee credits received may be handled pursuant to separate agreements between the District and a developer.

**Hardscape, Landscape, and Irrigation:**

The District will construct and/or install landscaping, irrigation and hardscaping within District common areas and rights-of-way. Landscaping will consist of sod, shrubs, ground cover, trees and plants. The irrigation system will consist of spray and rotating heads providing irrigation coverage to the landscaped areas. Moreover, hardscaping will consist of entry features, benches, trashcans, accent pavement, etc. Existing vegetation will be utilized wherever possible.

The County has distinct design criteria requirements for planting and irrigation design. Therefore, this project will at a minimum meet those requirements but, in most cases, exceed the

requirements with enhancements for the benefit of the community.

All such landscaping, irrigation and hardscaping will be owned, maintained, and funded by the District. Such infrastructure, to the extent that it is in rights-of-way owned by the County will be maintained pursuant to a right-of-way agreement to be entered into with the County. Individual neighborhood HOA's may enter into an agreement with the CDD for the purpose of maintaining entry features, to include but not necessarily be limited to signage, landscape, accent lighting, hardscape, and irrigation.

#### **Street Lights / Undergrounding of Electrical Utility Lines**

The District intends to lease street lights through an agreement with Orlando Utility Commission (OUC) in which case the District would fund the street lights through an annual operations and maintenance assessment. As such, street lights are not included as part of the CIP.

The CIP does however include the undergrounding of electrical utility lines within right-of-way utility easements throughout the community. Any lines and transformers located in such areas would be owned by OUC and not paid for by the District as part of the CIP.

#### **Recreational Amenities:**

In conjunction with the construction of the CIP, the District may elect to construct amenity parks within the development and will construct a linear park with bio swale adjacent to Cross Prairie Parkway. The District may or may not also finance additional amenities, parks and other common areas for the benefit of the District. These improvements will be funded, owned, and maintained by the District, or alternatively may be funded by the developer and turned over to a homeowners' association of District for ownership, operation, and maintenance.

#### **Environmental Conservation/Mitigation**

There are approximately 50 acres of potential forested and herbaceous wetland impacts associated with the proper construction of the District's infrastructure which will require wetland mitigation. The District will be responsible for the funding, design, permitting, construction, maintenance, and government reporting of the environmental mitigation. These costs are included within the CIP.

#### **Neighborhood Infrastructure**

The Master Infrastructure described herein only allows for the development of pods of land ("Neighborhoods"). It does not include all the public infrastructure needed to create residential properties within the Neighborhoods. Thus, in order for the residential lands to be fully developed, there is a need for additional public infrastructure in addition to the Master Infrastructure.

Each Neighborhood will require certain components of public infrastructure in order for people to live in a residence ("Neighborhood Infrastructure"). This public infrastructure will include:

- Streets;
- Street signage and signalization;
- street lighting;

- sidewalks and multi-use paths;
- storm water management facilities;
- drainage improvements, including but not limited to curbs, gutters, inlets, and pipes;
- potable water lines;
- sanitary sewer lines and lift stations;
- landscaping;
- irrigation;
- hardscaping;
- boat lifts;
- other public infrastructure permitted by section 190.012, F.S.; and
- associated professional fees and permit fees.

The cost of the Neighborhood Infrastructure is best estimated by reviewing the typical per lot or per residence cost incurred to develop a neighborhood. In Osceola County and after the costs associated with the Master Infrastructure are accounted for, the typical cost of Neighborhood Infrastructure is \$15,000 per residential unit. There are currently five Neighborhoods within the District with a specific number of units planned for development. They are set forth below with the associated costs for each's Neighborhood Infrastructure.

<u>Neighborhood</u>	<u>Number of Units</u>	<u>Total Neighborhood Infrastructure Costs</u>
ED-1	477	\$ 7,155,000
ED-2	411	\$ 6,165,000
ED-4	1109	\$16,635,000
ED-5	798	\$11,970,000
ED-6	753	\$11,295,000

The total cost for Neighborhood Infrastructure is \$53,220,000, although each Neighborhood will only receive special benefit from the Neighborhood Infrastructure serving it.

#### Professional Services

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

#### Off-Site Improvements

Currently utility offsite improvements are limited to utility main extensions and looping to bring reclaimed water and wastewater to the development and to provide a looped connection of the water main to the City of St. Cloud water system in Old Canoe Creek Road. The mains would be eligible for impact fee credits for upsizing and the water main extension. To the extent the District funds improvements which generate impact fee credits, the District shall receive the credits and can then sell or transfer such credits as allowed by law.

The only offsite road improvements that are currently contemplated would be a portion of Kissimmee Park Road and a portion of Clay Whaley Road would be considered off-site improvements that are eligible for mobility fee credits at Osceola County. To the extent the

District funds improvements which generate mobility fee credits, the District shall receive the credits and then can sell or transfer such credits as allowed by law. In addition, all framework roads that are constructed above and beyond the needs of the Development would be eligible for mobility fee credits. This process is a negotiation with staff and will require the preparation of a mobility fee agreement to be approved by the Osceola County Board of County Commissioners.

As noted, the District's CIP functions as a system of improvements benefitting all lands within the District.

All the foregoing improvements are required by applicable development approvals. Note that, except as stated herein, there are no impact fee or similar credits available from the construction of any such improvements.

The following table, Table 3.3, shows who will finance, own and operate the various improvements of the CIP:

**TABLE 3.3**

<u>Facility Description</u>	<u>Ownership</u>	<u>O&amp;M Entity</u>
Roadways	County	County
Stormwater Management	CDD	CDD
Utilities (Water, Sewer, Reclaim)	COSC	COSC
Hardscape/Landscape/Irrigation	CDD	CDD
Street Lighting	OUC	OUC
Undergrounding of Conduit	OUC	OUC
Recreational Amenities	CDD	CDD
Environmental Conservation/Mitigation	CDD	CDD
Off-Site Master Improvements	County/COSC	County/COSC

#### **4. PERMITTING/CONSTRUCTION COMMENCEMENT**

All necessary permits for the construction of the CIP will be obtained by the developer or the CDD or their professional prior to commencing construction, and include the following (as needed):

- SFWMD ERP (General, Individual and Master Conceptual)
- SFWMD ERP Modifications as necessary
- SFWMD Consumptive Use
- USACOE SAJ 90
- USACOE
- USFWS
- Osceola County Site Development Plan (SDP)
- FDEP NPDES
- COSC Utility Construction Permits.
- FDEP Potable Water
- FDEP Wastewater
- FDOT (potential for roadways at new interchange and Clay Whaley Re-alignment)



## 5. OPINION OF PROBABLE CONSTRUCTION COSTS

Table 5.1 shown below presents, among other things, the Opinion of Probable Cost for the CIP. It is our professional opinion that the costs set forth in Table 5.1 are reasonable and consistent with market pricing, both for the CIP.

**TABLE 5.1**

<u>Facility Description</u>	<u>CIP Costs</u>
Roadways	\$27,462,600
Stormwater Management	\$11,063,960
Utilities (Water, Sewer, Reclaim)	\$11,182,004
Hardscape/Landscape/Irrigation/Trails	\$7,905,550
Undergrounding of Conduit	\$7,164,600
Environmental Conservation/Mitigation	\$7,500,000
Professional Services	\$8,393,254
Contingency (10%)	\$8,067,197
<b>TOTAL</b>	<b>\$88,739,165</b>

\* The probable costs estimated herein do not include anticipated carrying cost, interest reserves or other anticipated CDD expenditures that may be incurred.

The CIP will be designed in accordance with current governmental regulations and requirements. The CIP will serve its intended function so long as the construction is in substantial compliance with the design.

The cost estimates provided are reasonable to complete the required improvements and it is our professional opinion that the infrastructure improvements comprising the CIP will serve as a system of improvements that benefit and add value to all lands within the District. The cost estimates are based on prices currently being experienced in Osceola County Florida and FDOT Basis of Estimates Cost Area 7. Actual costs may vary depending on final engineering and approvals from regulatory agencies. It is further our opinion that the improvement plan is feasible, that there are no technical reasons existing at this time that would prevent the implementation of the CIP, and that it is reasonable to assume that all necessary regulatory approvals will be obtained in due course.

In sum, it is our opinion that: (1) the estimated cost to the public infrastructure set forth herein to be paid by the District is not greater than the lesser of the actual cost or fair market value of such infrastructure; (2) that the CIP is feasible; and (3) that the assessable property within the District will receive a special benefit from the CIP that is at least equal to such costs.

Please note that the CIP as presented herein is based on current plans and market conditions which are subject to change. Accordingly, the CIP, as used herein, refers to sufficient public infrastructure of the kinds described herein (i.e., stormwater/floodplain management, sanitary sewer, potable water, etc.) to support the development and sale of the planned 3548 residential units in the District, which (subject to true-up determinations) number and type of units may be changed with the development of the site. Stated differently, during development and implementation of the public infrastructure improvements as described for the District, it may be necessary to make modifications and/or deviations for the plans, and the District expressly reserves the right to do so.

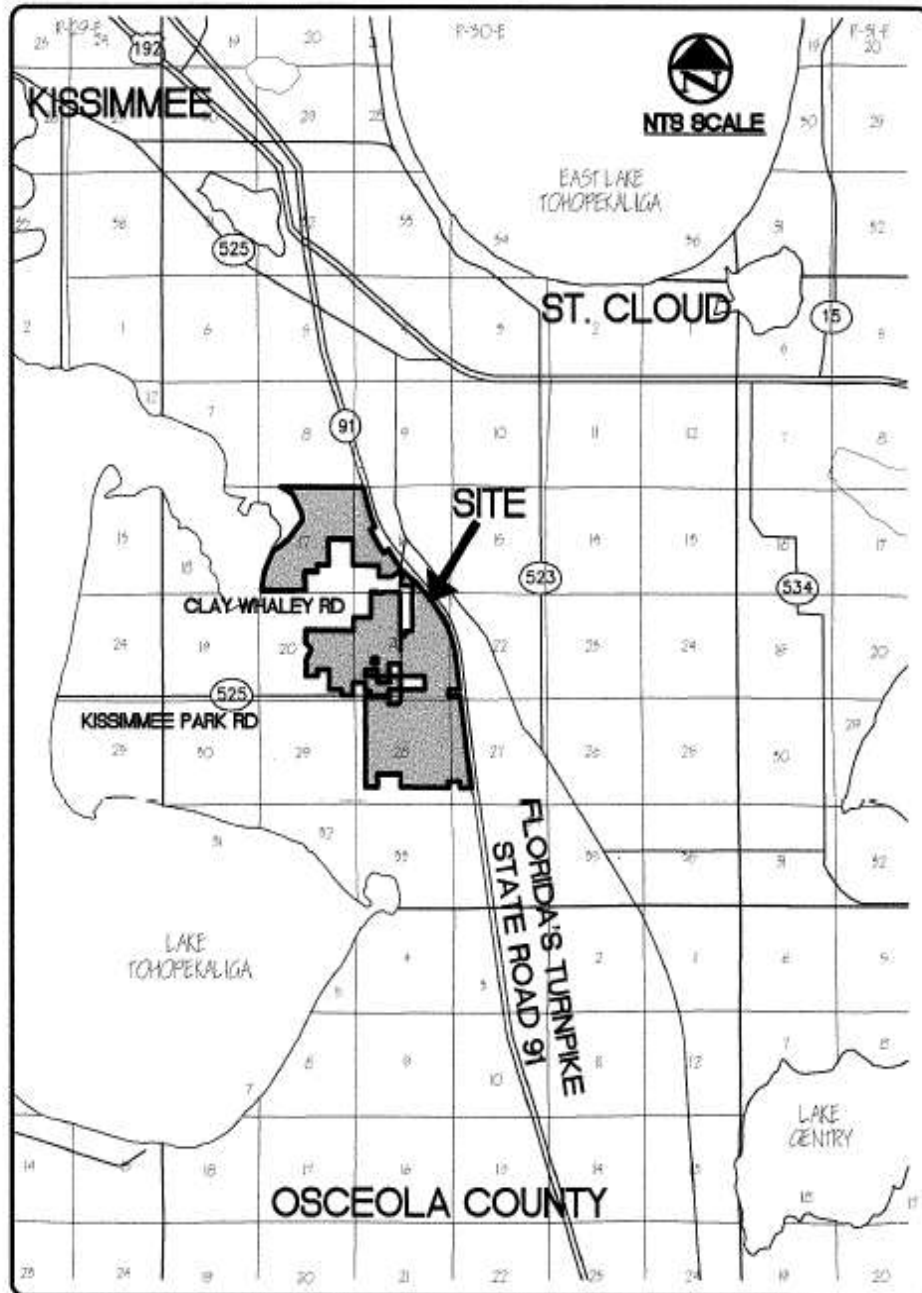
Shawn Hindle, P.E. Date: August 26, 2020  
FL License No. 48165 8

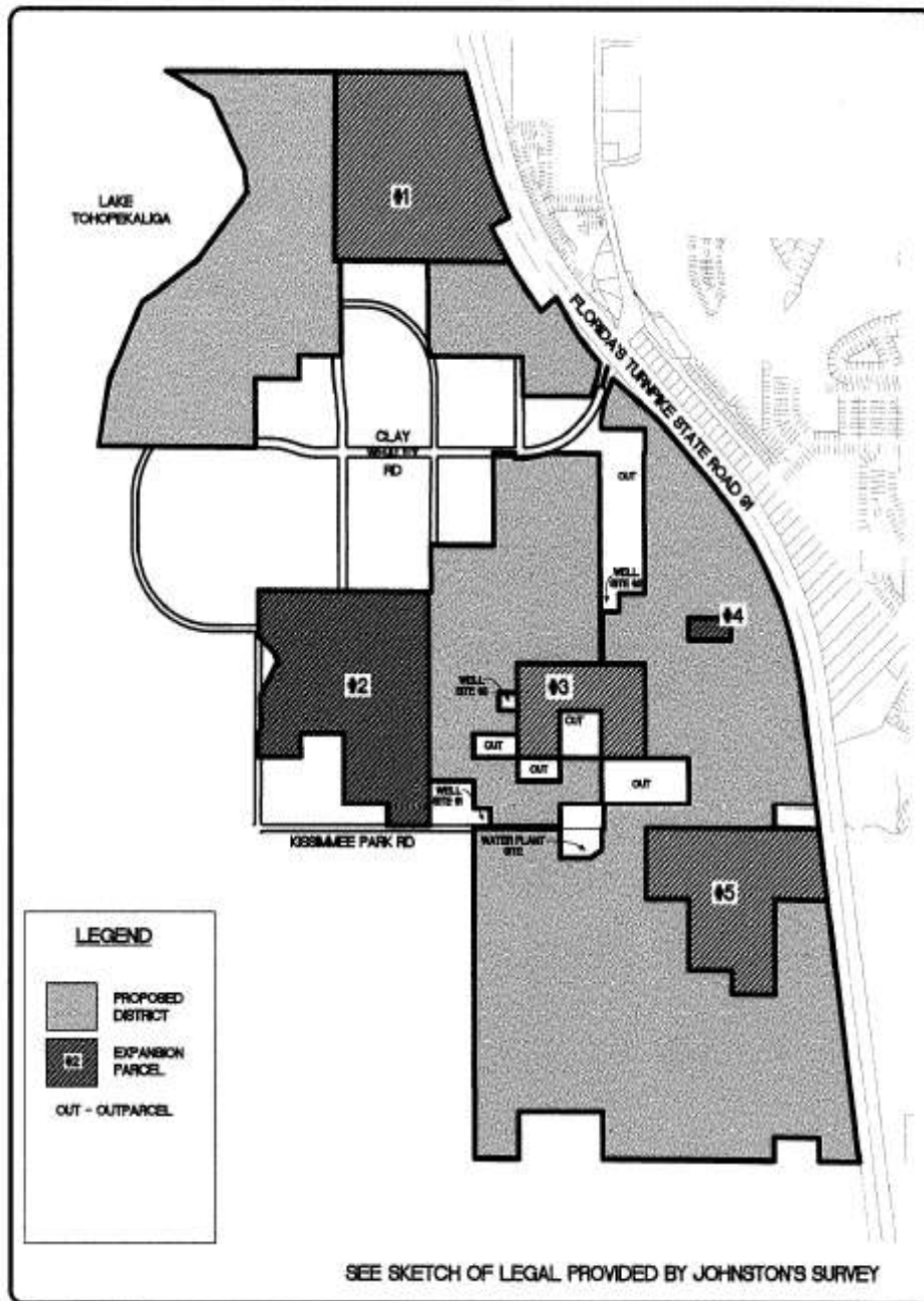


## APPENDIX

**Appendix  
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<b>Exhibit 2.1</b>	<b>Location Map</b>
<b>Exhibit 2.2</b>	<b>District Boundaries</b>
<b>Exhibit 2.3</b>	<b>Existing Utilities</b>
<b>Exhibit 2.4</b>	<b>Existing Drainage Map</b>
<b>Exhibit 3.1</b>	<b>Proposed Site Plan</b>
<b>Exhibit 3.2</b>	<b>Proposed Framework Streets</b>





8 BROADWAY AVENUE, SUITE 104, FLORIDA 34741-5481  
 PHONE: (407) 847-9433 FAX: (407) 847-2499  
 ENG. CERT. OF AUTHOR. No. 3086/SUR. CERT. OF AUTHOR. No. 3370  
 ENGINEERING, SURVEYING AND PLANNING



**HANSON, WALTER & ASSOCIATES, INC.**

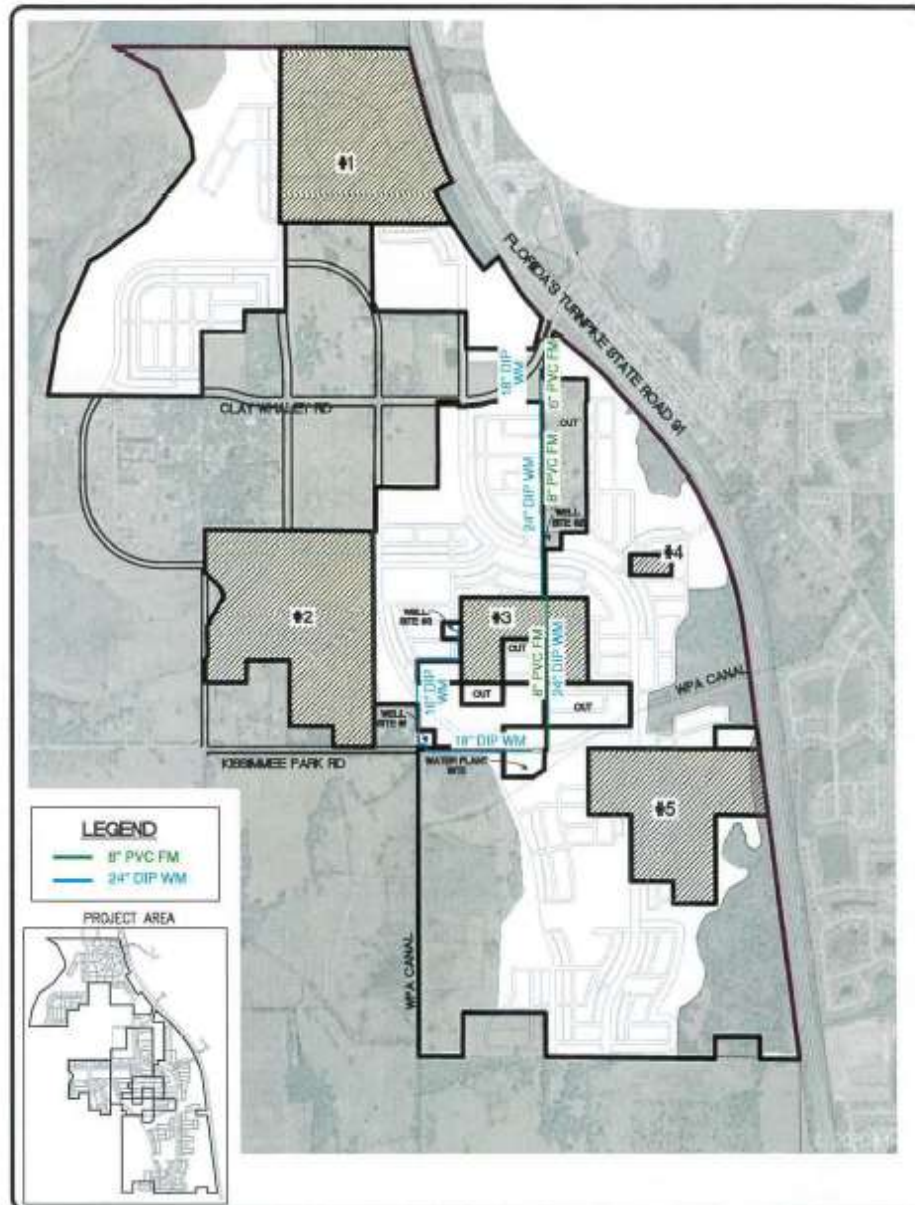
## EDGEWATER EAST CDD

**SITE**

DATE 01/22/2020

SHEET 1 OF 1

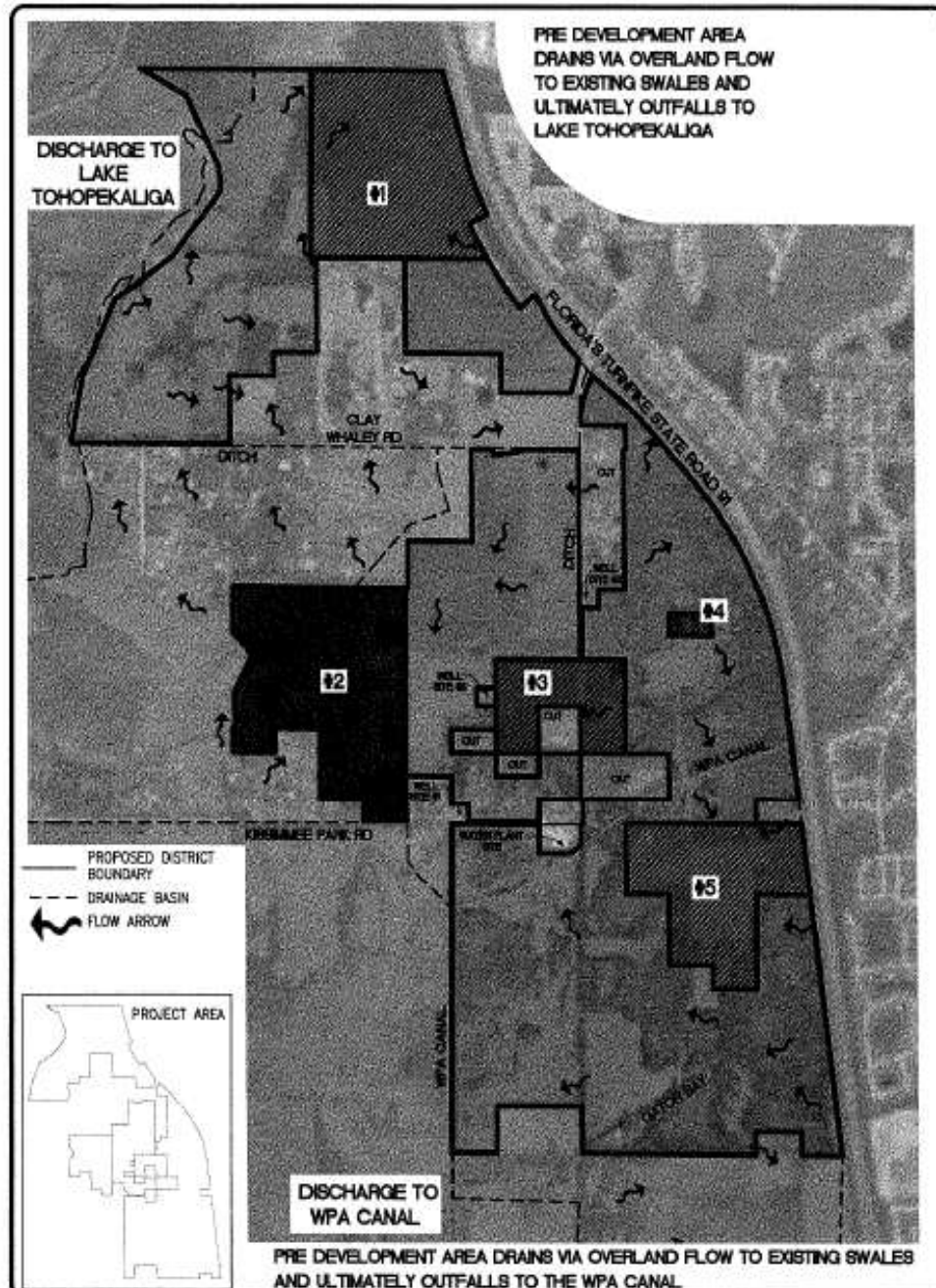
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 <p>8 BROADWAY AVENUE, SUITE 104, FLORIDA 34741-5481          PHONE: (407) 847-9433 FAX: (407) 847-2499          ENG. CERT. OF AUTHOR. No. 3265/SUR. CERT. OF AUTHOR. No. 3270          ENGINEERING, SURVEYING AND PLANNING</p> <p><b>HANSON, WALTER &amp; ASSOCIATES, INC.</b></p>	<p><b>EDGEWATER EAST CDD</b></p> <p><b>EXISTING TRUNK LINE UTILITIES</b></p>	
	<p>DATE 01/22/2020</p>	<p>SHEET 1 OF 1</p>

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**HANSON, WALTER & ASSOCIATES, INC.**

**EDGEWATER EAST CDD**

DATE 01/22/2020 SHEET 1 OF 1



8 BROADWAY AVENUE, SUITE 104, FLORIDA 34741-5481  
PHONE: (407) 847-8433 FAX: (407) 847-2498  
ENG. CERT. OF AUTHOR. No. 3285/SUR. CERT. OF AUTHOR. No. 3270  
ENGINEERING, SURVEYING AND PLANNING

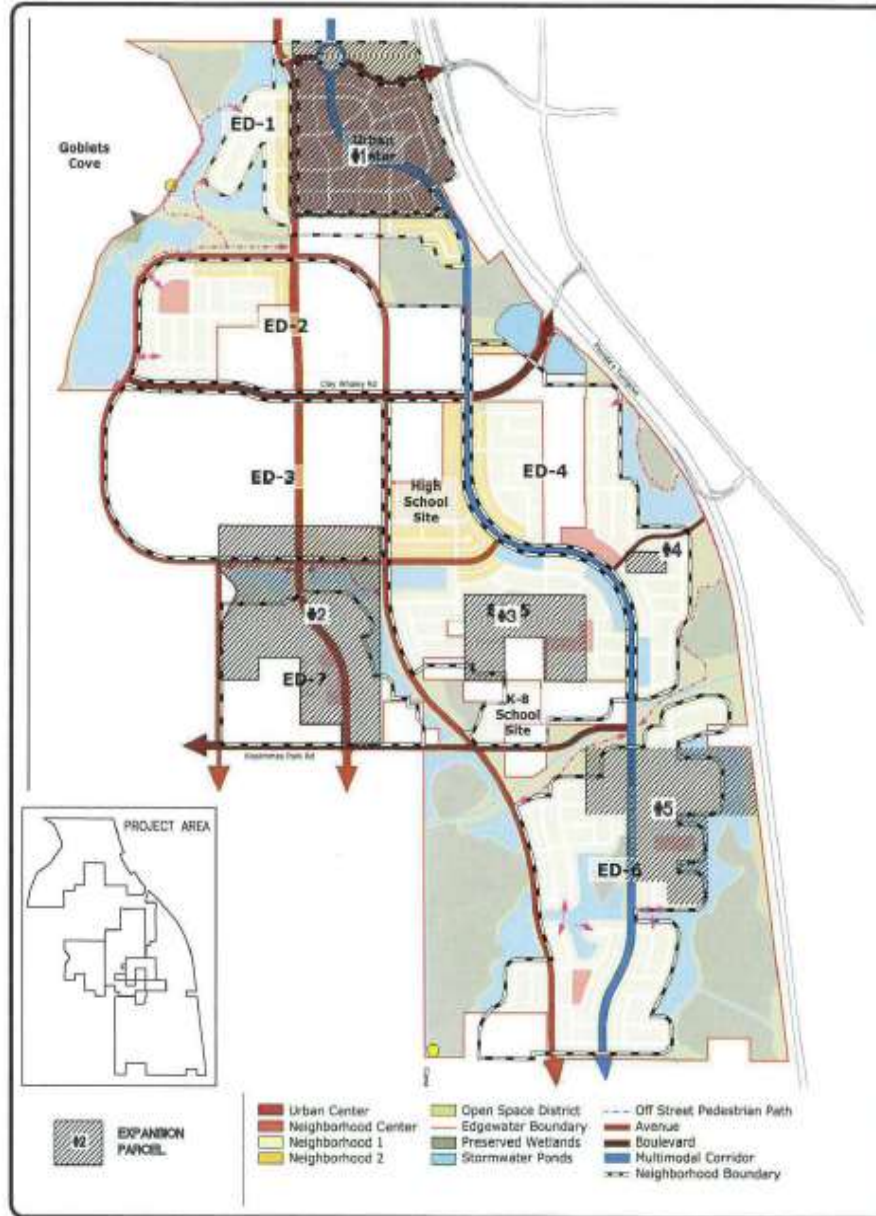
**EDGEWATER EAST CDD**

## FUTURE LAND USE MAP

DATE 01/22/2020

SHEET 1 OF 1





8 BROADWAY AVENUE, SUITE 104, FLORIDA 34741-5461  
 PHONE: (407) 847-8433 FAX: (407) 847-2490  
 ENG. CERT. OF AUTHOR. No. 3295/SUB. CERT. OF AUTHOR. No. 3279  
 ENGINEERING, SURVEYING AND PLANNING

**HANSON, WALTER & ASSOCIATES, INC.**



## EDGEWATER EAST CDD

### FRAMEWORK ROADS MAP

DATE 01/22/2020

SHEET 1 OF 1

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SUPPLEMENTAL ENGINEER'S REPORT  
FOR  
ASSESSMENT AREA 3 (ED-6S)  
FOR THE  
EDGEWATER EAST COMMUNITY DEVELOPMENT DISTRICT

PREPARED FOR:

BOARD OF SUPERVISORS  
EDGEWATER EAST COMMUNITY DEVELOPMENT DISTRICT

August 14, 2020  
Revised September 16, 2020  
Amended January 6, 2022  
Amended June 6, 2024  
Revised October 1, 2024  
Revised January 9, 2025

ENGINEER:  
HANSON, WALTER & ASSOCIATES, INC.  
8 Broadway, Suite 104  
Kissimmee, Florida 34741

## EDGEWATER EAST COMMUNITY DEVELOPMENT DISTRICT

### SUPPLEMENTAL ENGINEER'S REPORT

#### 1. INTRODUCTION

Edgewater East Community Development District (the "District") is authorized by Florida Statutes, Chapter 190 (the "Act"), and Ordinance No. 2020-49, of Osceola County, Florida, as amended (collectively, the "Ordinance"), to issue its bonds for the purpose of acquiring and constructing assessable improvements all as provided in the Act and the Ordinance. The purpose of this report is to provide a description of the capital improvement plan ("CIP") and estimated costs of the CIP, for the Edgewater East Community Development District Phase 3.

#### 2. GENERAL SITE DESCRIPTION

Edgewater is a mixed-use development established in the City of St. Cloud and Osceola County Comprehensive Plan and a portion of Edgewater is served by the Edgewater East Community Development District. The development has been annexed into the City of St. Cloud, Florida, lying in Sections 16, 17, 20, 21, 22, 27 and 28, Township 26 South and Range 30 East. More particularly as shown in **Exhibit 2.1** of the attached Appendix. The general location of the development is east of Lake Tohopekaliga, west of the Florida Turnpike, north of Gator Bay Slough and on each side of Kissimmee Park Road.

As noted in **Exhibit 2.2**, the District's boundaries include approximately 1,390.079 acres of land located in Osceola County, Florida. The original boundary consisted of approximately 1,390.079 acres of land. The "First Amendment" to the District Boundaries increased the area of the district by approximately 102.119 acres per ordinance 2021-86 of the Osceola County Board of County Commissioners. The "Second Amendment" to the District Boundary increased the area by approximately 3.24 acres per ordinance 2023-15 of the Osceola County Board of County Commissioners. This brings the total land area of the district boundary to approximately 1,390.079 acres.

The District is located within South Florida Water Management District Lake Tohopekaliga Basin. Phase 3 (ED-6S) Basin conveys stormwater runoff to Lake Tohopekaliga via the WPA Canal by both direct discharge and via Gator Bay Slough. The development is proposed to consist of approximately 4,000 units to be developed in five phases. The Supplemental Report describes the capital improvement program (CIP) necessary to support the development of Assessment Area 3, also referred to as ED-6S, consisting of 685 proposed residential units, represented by the following unit mix:

**TABLE 2.1**  
**ED-6S UNIT MIX**

Product Type	ED-6S # Units
TH	223
SF2	109
SF1	353
<b>Total</b>	<b>685</b>

### 3. PROPOSED EDGEWATER PROJECT PURPOSE AND SCOPE OF THE REPORT

The purpose of this report is to provide an update of the District's CIP description of the public infrastructure improvements ("Capital Improvement Plan" or "CIP") to be constructed and or acquired by the District for Phase 3, consisting of Assessment Area 3, which is approximately 286.8 acres in area.

The following table outlines the proposed land uses and total unit counts for all of Phase 3:

TABLE 3.1  
LAND USE SUMMARY

Land Use	Acres	Residential Units
Residential	83.3	685
Open Space Wetlands, Buffers and Lakes	203.5	0
Totals	286.8	685

#### PHASE 3 CIP IMPROVEMENTS

The Phase 3 CIP improvements will benefit and provide environmental mitigation and maintenance of restored wetland areas, amenities, landscaping, signage, street lighting, roadways, stormwater, utilities, environmental management, and recreation for the District. The below infrastructure improvements currently comprise the Phase 3 CIP improvements proposed to be provided by the District. The improvements in their entirety are considered to be master infrastructure improvements that provide the needed infrastructure to support the development of the proposed residential communities. The infrastructure consists of the extension of an existing framework road for access and utilities, associated stormwater ponds, environmental mitigation, underground conduits, hardscape, landscape, irrigation trails and entry features. The infrastructure consists of the following categories as further described herein:

##### **District Roadway Improvements:**

The CIP includes the extension of an existing multimodal framework road, better known as Cross Prairie Parkway, in two directions. One extension is to the south, within Assessment Area 3, from the existing southern terminus of Cross Prairie Parkway to the southernmost ED-6 point of access. The second extension is to the north from Clay Whaley Road to the southern boundary of a planned urban center.

- Cross Prairie Parkway is designed as a four-lane divided multimodal framework roadway and includes installation of utilities necessary to serve the District. The two extensions are permitted as two separate construction projects.

##### **Stormwater Management System:**

The stormwater collection and outfall system are a combination of roadway curbs, curb inlets, pipes, control structures and open lakes designed to treat and attenuate stormwater runoff from District lands. The stormwater system within the project discharges to Lake Tohopekaliga via the WPA Canal. The stormwater system will be designed consistent with the criteria established by

the South Florida Water Management District (“SFWMD”) and Osceola County for stormwater/floodplain management systems. The District will finance, own, operate and maintain the stormwater system, with the exception that the County will own, operate and maintain the inlets and storm sewer systems within County right-of-way.

NOTE: No private earthwork is included in the CIP. Accordingly, the District will not fund any costs of mass grading of lots.

#### **Water, Wastewater and Reclaim Utilities:**

As part of the CIP, the District intends to construct and/or acquire water, wastewater and reclaim infrastructure. In particular, the on-site water supply improvements include water mains that will be located within rights-of-way and used for potable water service and fire protection. Water mains consisting of a 24-inch water main within the southern extension of Cross Prairie Parkway and a 12-inch water main with the northern extension of Cross Prairie Parkway.

Wastewater improvements consisting of a 12-inch diameter force main within the southern extension of Cross Prairie Parkway and the northern extension of Cross Prairie Parkway.

Similarly, the reclaim water distribution system will be constructed to provide service for irrigation throughout the community and will consist of a 20-inch reclaim main within the southern extension of Cross Prairie Parkway and the northern extension of Cross Prairie Parkway.

The water and reclaim distribution and wastewater collection systems will be completed by the District and then dedicated to Tohopekaliga Water Authority (“TOHO”) for operation and maintenance. All mains will be designed and constructed in compliance with the TOHO and the Florida Department of Environmental Protection standards. No District financed sewer or water laterals will be placed on private lots.

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

The District will construct and/or install landscaping, irrigation and hardscaping within District common areas and rights-of-way. Landscaping will consist of sod, shrubs, ground cover, trees and perennial plants. The irrigation system will consist of spray and rotating heads providing irrigation coverage to the landscaped areas. Moreover, hardscaping will consist of entry features, benches, trashcans, accent pavement, etc. Existing vegetation will be utilized wherever possible.

The County/City has distinct design criteria requirements for planting and irrigation design. Therefore, this project will, at a minimum, meet those requirements but, in most cases, exceed the requirements with enhancements for the benefit of the community.

All such landscaping, irrigation and hardscaping will be owned, maintained, and funded by the District. Such infrastructure, to the extent that it is in rights-of-way owned by the County/City will be maintained pursuant to a right-of-way agreement to be entered into with the County/City.

Please note: dependent on the specific roadway being designed permitted and constructed, jurisdiction and design standards may fall under Osceola County or the City of St. Cloud design standards, dependent on the permitting authority and maintaining authority of the specific right of ways.

### **Streetlights / Undergrounding of Electrical Utility Lines**

The District intends to lease streetlights through an agreement with Orlando Utility Commission (OUC) in which case the District would fund the streetlights through an annual operations and maintenance assessment. As such, streetlights are not included as part of the CIP.

The CIP does, however, include the incremental cost of undergrounding of electrical utility lines within right-of-way utility easements throughout the community. Any lines and transformers located in such areas would be owned by OUC and not paid for by the District as part of the CIP.

### **Recreational Amenities:**

As part of the Phase 3 Assessment Area, the District will construct a trail adjacent to Cross Prairie Parkway consisting of a 10-foot-wide sidewalk and enhanced landscaping, benches and waste receptacles. The District may or may not also finance additional amenities, parks and other common areas for the benefit of the District. These improvements will be funded, owned, and maintained by the District and open and accessible to the public, or alternatively may be funded by the developer and turned over to a homeowners' association of District for ownership, operation, and maintenance, in which case these improvements would not be financed by the District.

### **Environmental Conservation/Mitigation**

The Phase 3 assessment area will require the purchase of approximately 5.5 mitigation credits for proposed impacts to existing wetlands in order to construct the infrastructure described in this report. The District will ultimately fund the purchase of mitigation credits from a mitigation bank.

### **Professional Services**

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

### **Off-Site Improvements**

Currently utility offsite improvements are limited to utility main connections to bring reclaimed water and wastewater to the development. The mains would be eligible for impact fee credits for upsizing. To the extent the District funds improvements which generate impact fee credits, the District shall receive the credits and can then sell or transfer such credits as allowed by law.

To the extent the District funds improvements which generate mobility fee credits, the District shall receive the credits and then can sell or transfer such credits as allowed by law. In addition, all framework roads that are constructed above and beyond the needs of the Development would be eligible for mobility fee credits. This process will require a negotiation with staff and the preparation of a mobility fee agreement to be approved by the Osceola County Board of County Commissioners.

As noted, the District's CIP functions as a system of improvements benefitting all lands within the District.

All the foregoing improvements are required by applicable development approvals. Note that, except as stated herein, there are no impact fee or similar credits available from the construction of any such improvements.

The following table, Table 3.3, shows who will own and operate the various improvements of the CIP that are funded by the District:

UPDATED 05/31/2023

**Summary of Proposed District Facilities**

Description	Construction	Ownership	Capital Financing*	O&M Entity
Stormwater Management Facilities	District	District	District Bonds	District
Potable Water System	District	Toho Water Authority	District Bonds	Toho Water Authority
Reclaimed Water System	District	Toho Water Authority	District Bonds	Toho Water Authority
Lift Stations and Sanitary Sewer System	District	Toho Water Authority	District Bonds	Toho Water Authority
Neighborhood Roadway Construction**	District	District	District Bonds	District
Framework Roadway Improvements to Clay Whaley Road and any other framework roads	District	Osceola County or City of St. Cloud***	District Bonds	Osceola County or City of St. Cloud and District (for enhanced landscaping and irrigation only)
Framework Roadway Improvements to Kissimmee Park Road and Cross Prairie Parkway	District	Osceola County	District Bonds	Osceola County District (for enhanced landscaping and irrigation only)
Offsite Utility Improvements	District	Toho Water Authority	District Bonds	Toho Water Authority
Common Area Landscape, Hardscape, Irrigation****	District	District	District Bonds	District

\* Developer may contribute toward development costs

\*\* Neighborhood roadways financed and/or owned by the District may be gated with public access not restricted (soft gates). Neighborhood roadways built with private funding and owned by an HOA may be gated with public access restricted (hard gates).

\*\*\* This is a matter between the City and County. The District has no control over this.

\*\*\*\*Common Area includes: parks, recreation, open space, conservation areas, buffers, etc.

**TABLE 3.3**

<u>Facility Description</u>	<u>Ownership</u>	<u>O&amp;M Entity</u>
Roadways	CDD/County/City	CDD/County/City
Stormwater Management	CDD	CDD
Utilities (Water, Sewer, Reclaim)	TOHO	TOHO
Hardscape/Landscape/Irrigation	CDD	CDD
Street Lighting	OUC	OUC
Undergrounding of Conduit	OUC	OUC
Recreational Amenities	CDD	CDD
Environmental Conservation/Mitigation	CDD	CDD
Off-Site Master Improvements	TOHO	TOHO

#### 4. PERMITTING/CONSTRUCTION COMMENCEMENT

All necessary permits for the construction of the CIP will be obtained by the developer or the CDD or their professional prior to commencing construction, and include the following (as needed):

Edgewater CDD Permit Approvals and Construction Project Status Phase 3 CIPs							
Project Description	Estimated Construction Completion Date	USACOE	SFWMD	Osceola County	TOHO	FDEP Water and Sewer	FDOT
Drainage	2025	A	R	A	N/A	A	N/A
Utilities	2025	N/A	N/A	A	A	A	N/A
Roadways	2025	A	R	R	N/A	N/A	N/A
Off-site Improvements	2025	N/A	A	A	N/A	N/A	N/A
Landscape	2025	N/A	N/A	R	R	N/A	N/A
Amenities	2025	N/A	0	0	O	N/A	N/A

A - Permit Issued

R - Permit in Review

N/A – Not Applicable

0 – Not Submitted

#### 5. OPINION OF PROBABLE CONSTRUCTION COSTS

Table 5.1 shown below presents, among other things, the Opinion of Probable Cost for the CIP for Phase 3 improvements. It is our professional opinion that the costs set forth in Table 5.1 are reasonable and consistent with market pricing, both for the CIP.

**TABLE 5.1**

<u>Assessment Area 3 Project Description</u>	<u>Estimated Costs<sup>(6)</sup></u>
Roadways (includes traffic signal and box culvert) <sup>(2, 4)</sup>	\$ 7,000,000
Right of Way Acquisition <sup>7</sup>	500,000
Stormwater Management	2,800,000
Utilities (Water, Sewer, Reclaim) <sup>(4)</sup>	2,800,000
Hardscape/Landscape/Irrigation/Trails <sup>(4)</sup>	3,200,000
Undergrounding of Conduit <sup>(3, 4)</sup>	2,200,000
Environmental Conservation/Mitigation	800,000
Professional Services <sup>(4)</sup>	2,400,000
Contingency (10%) <sup>(4)</sup>	2,170,000
Total	\$ 23,870,000

1. Infrastructure consists of public Roadway Improvements, Stormwater management facilities, master sanitary sewer lift station and utilities, water utilities, entry feature, landscaping and



signage, wetland mitigation, and public neighborhood parks, all of which will be located on land owned by or subject to a permanent easement in favor of the District or another governmental agency.

2. Includes subgrade, base, asphalt paving, curbing, traffic control, street signage, striping and civil/site engineering.
3. Costs shown only include the incremental cost of undergrounding and do not include the costs of the streetlights.
4. The costs associated with the infrastructure are a master cost and are effectively shared by the entire project (All Phases).
5. Estimates are based on 2024 costs.
6. Please note that estimated individual element totals may vary and are only to establish a Total Estimated Costs of Improvements. The costs estimated herein do not include anticipated carrying costs, interest reserves, or other anticipated District expenditures that may be incurred.
7. Right of way is budgeted for third party acquisitions necessary for the construction of the District improvements.

The CIP will be designed in accordance with current governmental regulations and requirements. The CIP will serve its intended function so long as the construction is in substantial compliance with the design.

The cost estimates provided are reasonable to complete the required improvements and it is our professional opinion that the infrastructure improvements comprising the CIP will serve as a system of improvements that benefit and add value to all lands within the District. The cost estimate is based on prices currently being experienced in Osceola County Florida and FDOT Basis of Estimates Cost Area 7. Actual costs may vary depending on final engineering and approvals from regulatory agencies. It is further our opinion that the improvement plan is feasible, that there are no technical reasons existing at this time that would prevent the implementation of the CIP, and that it is reasonable to assume that all necessary regulatory approvals will be obtained in due course.

In summary, it is our opinion that: (1) the estimated cost to the public infrastructure set forth herein to be paid by the District is not greater than the lesser of the actual cost or fair market value of such infrastructure; (2) that the CIP is feasible; and (3) that the assessable property within the District will receive a special benefit from the CIP that is at least equal to such costs.

Please note that the CIP as presented herein is based on current plans and market conditions which are subject to change. Accordingly, the CIP, as used herein, refers to sufficient public infrastructure of the kinds described herein (i.e., stormwater/floodplain management, sanitary sewer, potable water, etc.) to support the development and sale of the planned 685 residential units in the Phase 3 of the District, which (subject to true-up determinations) number and type of units may be changed with the development of the site. Stated differently, during development and implementation of the public infrastructure improvements as described for the District, it may be necessary to make modifications and/or deviations for the plans, and the District expressly reserves the right to do so.

## APPENDIX

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<b>Exhibit 2.2</b>	<b>District Boundaries</b>
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**APPENDIX B**

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

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between

EDGEWATER EAST COMMUNITY DEVELOPMENT DISTRICT

and

U.S. BANK NATIONAL ASSOCIATION,

as Trustee

Dated as of March 1, 2021

relating to

EDGEWATER EAST COMMUNITY DEVELOPMENT DISTRICT

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Exhibit A – Acquisition and Construction Fund Requisition

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

## ARTICLE I DEFINITIONS

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

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

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

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

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

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

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

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

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

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

**THIS MASTER TRUST INDENTURE**, dated as of March 1, 2021 (the “Master Indenture”), by and between EDGEWATER EAST COMMUNITY DEVELOPMENT DISTRICT (together with its permitted successors and assigns, the “Issuer”), a local unit of special-purpose government organized and existing under the laws of the State of Florida, and U.S. BANK NATIONAL ASSOCIATION, a national banking association authorized to accept and execute the trusts herein set forth (said banking association and any bank or trust company becoming successor trustee under this Master Indenture and all Supplemental Indentures (as hereinafter defined) being hereinafter referred to as the “Trustee”);

## WITNESSETH:

**WHEREAS**, the Issuer is a local unit of special purpose government duly organized and existing under the provisions of the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the “Act”), and established by Ordinance No. 2020-49 of Osceola County, Florida effective on June 16, 2020, as amended by Ordinance No. 2020-66 of the County effective on September 23, 2020, for the purpose, among other things, of financing and managing the acquisition and construction, maintenance, and operation of public infrastructure and other public facilities within and without the boundaries of the premises to be governed by the Issuer; and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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Indenture, the Bonds may be issued without a Credit Facility; the decision to provide a Credit Facility in respect of any Bonds shall be within the absolute discretion of the Board.

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

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

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

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

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

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

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

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

“Debt Service Reserve Letter of Credit” shall mean the irrevocable, transferable letter or line of credit, if any, deposited for the credit of the Debt Service Reserve Fund or any Account or subaccount therein in lieu of or in partial substitution for cash or securities on deposit therein, which letter or line of credit constitutes an unconditional senior obligation of the issuer thereof. The issuer of such letter or line of credit shall be a banking association, bank or trust company or

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

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

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

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

(s) administrative expenses;

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

(u) expenses of Project management and supervision;

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

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

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

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

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

“Credit Facility” shall mean any credit enhancement mechanism such as an irrevocable letter of credit, a surety bond, a policy of municipal bond insurance, a corporate or other guaranty, a purchase agreement, a credit agreement or deficiency agreement or other similar facility applicable to the Bonds, as established pursuant to a Supplemental Indenture, pursuant to which the entity providing such facility agrees to provide funds to make payment of the principal of and interest on the Bonds. Notwithstanding anything to the contrary contained in this Master

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branch thereof whose senior debt obligations ranking *pari passu* with its obligations under such letter or line of credit are rated at the time of deposit of the letter or line of credit to the credit of the Debt Service Reserve Fund or any Account or subaccount therein in one of the two highest rating categories of both Moody’s and S&P, unless otherwise approved by the Credit Facility Issuer, if any, who has issued a Credit Facility with respect to the Bonds.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- (i) Government Obligations;
- (ii) Bonds, debentures, notes or other evidences of indebtedness issued by any of the following agencies or such other government - sponsored agencies which may presently exist or be hereafter created; provided that, such bonds, debentures, notes or other evidences of indebtedness are fully guaranteed as to both principal and interest by the Government National Mortgage Association (including participation certificates issued by such association); Fannie Mae (including participation certificates issued by such entity); Federal Home Loan Banks; Federal Farm Credit Banks; Tennessee Valley Authority; Farmers Home Administration; Student Loan Marketing Association; Federal Home Loan Mortgage Corporation and repurchase agreements secured by such obligations, which funds are rated in the highest categories for such funds by both Moody's and S&P at the time of purchase;
- (iii) Both (A) shares of a diversified open-end management investment company (as defined in the Investment Company Act of 1940) or a regulated investment company (as defined in Section 851(a) of the Code) that is a money market fund that is rated in the highest rating category for such funds by Moody's and S&P, and (B) shares of money market mutual funds that invest only in the obligations described in (i) and (ii) above;
- (iv) Money market deposit accounts, time deposits, and certificates of deposits issued by commercial banks, savings and loan associations or mutual savings banks whose short-term obligations are rated, at the time of purchase, in one of the two highest rating categories, without regard to gradation, by Moody's and S & P; and

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

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

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

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

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

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

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

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

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

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

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

Under all circumstances, the Trustee shall be entitled to conclusively rely that any investment directed in writing by the Issuer is permitted under the Indenture and is a legal investment for funds of the Issuer.

"Issuer" shall mean the Edgewater East Community Development District.

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

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

"Master Indenture" shall mean, this Master Trust Indenture dated as of March 1, 2021 by and between the Issuer and the Trustee, as amended and or supplemented in accordance with the provisions of Article XIII hereof.

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

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

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

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

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

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

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

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

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

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

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

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

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

"Series" shall mean all of the Bonds authenticated and delivered at one time on original issuance and pursuant to any Certified Resolution of the Issuer authorizing such Bonds as a separate Series of Bonds, or any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to Article II hereof and the applicable Supplemental

Indenture, regardless of variations in maturity, interest rate or other provisions; provided, however, two or more Series of Bonds may be issued simultaneously under the same Supplemental Indenture if designated as separate Series of Bonds by the Issuer upon original issuance. Two or more Series or sub-Series of Bonds may be issued simultaneously under separate Supplemental Indentures, but under this Master Indenture. As may be provided by subsequent proceedings of the Issuer, one or more Series of Bonds or sub-Series of Bonds, whether issued at the same time or not, may be separately secured by Special Assessments imposed pursuant to separate assessment proceedings. Such Bonds or sub-Series of Bonds which are secured by separate Special Assessments will not be issued as parity bonds even if issued at the same time.

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

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

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

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

“State” shall mean the State of Florida.

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

“Tax Collector” shall mean the tax collector of the County.

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

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## ARTICLE II THE BONDS

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

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

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

Except to the extent otherwise provided in Section 2.11 hereof or in a Supplemental Indenture, interest on any Bond is payable on any Interest Payment Date by check or draft mailed on the Interest Payment Date to the person in whose name that Bond is registered at the close of business on the Regular Record Date for such Interest Payment Date, at his address as it appears on the Bond Register. The Bonds shall bear interest from the Interest Payment Date next preceding the date on which they are authenticated unless authenticated on an Interest Payment Date in which event they shall bear interest from such Interest Payment Date, or unless authenticated before the first Interest Payment Date in which event they shall bear interest from their date; provided, however, that if a Bond is authenticated between a Record Date and the next succeeding Interest Payment Date, such Bond shall bear interest from such succeeding Interest Payment Date; provided further, however, that if at the time of authentication of any Bond interest thereon is in default, such Bond shall bear interest from the date to which interest has been paid or if interest has not been paid then from the Dated Date of the Bonds. Any interest on any Bond which is payable, but is not punctually paid or provided for on any Interest Payment Date (hereinafter called “Defaulted Interest”) shall be paid to the Owner in whose name the Bond is registered at the close of business on a Special Record Date to be fixed by the Trustee, such date to be not more than fifteen (15) nor less than ten (10) days prior to the date of proposed payment. The Trustee shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first-class, postage-prepaid, to each Owner of record as of the fifth (5th) day prior to such mailing, at his address as it appears in the Bond Register on the date of such mailings. The foregoing notwithstanding, but subject to the procedures set forth in Section 2.11 hereof, any Owner of Bonds of a Series in an aggregate principal amount of at least \$1,000,000 shall be entitled to have interest paid by wire transfer to

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

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

[END OF ARTICLE I]

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

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

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

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

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

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

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

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

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

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

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

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

Upon surrender for registration of transfer of any Bond at the designated office of the Registrar, and upon compliance with the conditions for the transfer of Bonds set forth in this Section 2.08, the Issuer shall execute and the Trustee (or Registrar as described in Section 2.03 and Section 2.04 hereof) shall authenticate and deliver, in the name of the designated transferees, one or more new Bonds of a like aggregate principal amount and of the same Series and maturity.

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agreements with The Depository Trust Company, New York, New York ("DTC") and other depository trust companies, including, but not limited to, agreements necessary for wire transfers of interest and principal payments with respect to the Bonds, utilization of electronic book entry data received from DTC, and other depository trust companies in place of actual delivery of Bonds and provision of notices with respect to Bonds registered by DTC and other depository trust companies (or any of their designees identified to the Trustee) by overnight delivery, courier service, telegram, telecopy or other similar means of communication.

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

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

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

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

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

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

The Issuer and the Trustee, if appropriate, shall enter into a blanket letter of representations with DTC providing for such book-entry-only system. Such agreement may be

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

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

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

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

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

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

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

Section 2.11 Qualification for The Depository Trust Company. To the extent provided in a Supplemental Indenture or authorized and directed by a Resolution of the Issuer authorizing the issuance of a Series of Bonds, the Trustee shall be authorized to enter into

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terminated at any time by either DTC or the Issuer. In the event of such termination, the Issuer shall select another securities depository. If the Issuer does not replace DTC, the Trustee will register and deliver to the Beneficial Owners replacement Bonds in the form of fully registered Bonds in accordance with the instructions from Cede & Co.

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

[END OF ARTICLE II]

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### ARTICLE III ISSUE OF BONDS

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

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

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

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

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

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

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

[END OF ARTICLE III]

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

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

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

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

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

8) an executed opinion of Bond Counsel;

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

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

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

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### ARTICLE IV CONSTRUCTION OR ACQUISITION OF PROJECT

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

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

[END OF ARTICLE IV]

**ARTICLE V**  
**ACQUISITION AND CONSTRUCTION FUND**

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

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

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

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

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

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

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

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

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

Section 6.02 Funds and Accounts Relating to the Bonds. The Funds and Accounts specified in this Article VI shall be established under this Master Indenture and each Supplemental Indenture pursuant to which a Series of Bonds is issued, except as otherwise

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

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

[END OF ARTICLE V]

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

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

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

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

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

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

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

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

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

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

Section 6.04 Debt Service Fund. The Trustee is hereby authorized and directed to establish a Debt Service Fund which shall consist of amounts deposited therein by the Trustee and any other amounts the Issuer may pay to the Trustee for deposit therein with respect to the

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such Series so purchased shall be credited towards the Debt Service Requirements in respect of the mandatory redemption of Bonds of such Series for which notice of redemption has been given pursuant to Section 8.02 of this Master Indenture. Any Bond so purchased shall be presented to the Trustee for cancellation. In such event, the Debt Service Requirements with respect to the Bonds of a Series for the period in which the purchased Bonds are presented to the Trustee shall, for all purposes hereunder, be reduced by an amount equal to the aggregate principal amount of any such Bonds so presented.

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

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

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

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

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

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

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

(c) In lieu of paying the Debt Service Requirements necessary to allow any mandatory redemption of Bonds of a Series from the related Series Sinking Fund Account, the Issuer may present to the Trustee Bonds of such Series purchased by the Issuer pursuant to subparagraph (a) above and furnished for such purposes; provided, however, that no Bonds of

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reason, the excess amount shall, as directed by the terms of the applicable Supplemental Indenture, be transferred from the Series Account of the Debt Service Reserve Fund to the applicable Series Account or Subaccount as provided in the Supplemental Indenture.

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

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

In the event that upon the occurrence of any deficiency in a Series Interest Account, a Series Principal Account or a Series Sinking Fund Account, if the Series Account of the Debt Service Reserve Fund is then funded with a Debt Service Reserve Letter of Credit or Debt

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

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

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

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

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

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

[END OF ARTICLE VII]

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

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

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

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

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

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

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

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

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

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

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

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

[END OF ARTICLE VII]

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

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

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

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

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

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## ARTICLE VIII REDEMPTION AND PURCHASE OF BONDS

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

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

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

(c) *Mandatory Sinking Fund Redemption.* Bonds of a Series may be subject to mandatory sinking fund redemption at a Redemption Price of 100% of the principal amount thereof plus accrued interest to the redemption date, in the years and amounts set forth in a Supplemental Indenture.

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

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

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

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

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

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

Payment of the Redemption Price, together with accrued interest, shall be made by the Trustee or Paying Agent to or upon the order of the Owners of the Bonds called for redemption upon surrender of such Bonds. The Redemption Price of the Bonds to be redeemed, the expenses of giving notice and any other expenses of redemption, shall be paid out of the Fund from which redemption is to be made or by the Issuer, or as specified in a Supplemental Indenture.

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

[END OF ARTICLE VIII]

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Section 9.03 Special Assessments; Re-Assessments.

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

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

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

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

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ARTICLE IX  
COVENANTS OF THE ISSUER

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

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

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

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enforced pursuant to the provisions of Chapter 197, Florida Statutes, or any successor statute thereto, including but not limited to the sale of tax certificates and tax deeds as regards such delinquent Special Assessment. In the event the provisions of Chapter 197, Florida Statutes, and any provisions of the Act with respect to such sale are inapplicable by operation of law, then upon the delinquency of any Special Assessment the Issuer shall, to the extent permitted by law, or Board determines in best interest to directly collect, utilize any other method of enforcement, including, without limitation, declaring the entire unpaid balance of such Special Assessment to be in default and, at its own expense, cause such delinquent property to be foreclosed, pursuant to the provisions of Section 197.10, Florida Statutes, in the same method now or hereafter provided by law for the foreclosure of mortgages on real estate and Sections 190.026 and 197.10, Florida Statutes, or otherwise as provided by law.

Section 9.06 Sale of Tax Certificates and Issuance of Tax Deeds; Foreclosure of Special Assessment Liens. If the Special Assessments levied and collected under the Uniform Method described in Section 9.04 are delinquent, then the applicable procedures for issuance and sale of tax certificates and tax deeds for nonpayment shall be followed in accordance with Chapter 197, Florida Statutes and related statutes. Alternatively, if the Uniform Method is not utilized, and if any property shall be offered for sale for the nonpayment of any Special Assessment, and no person or persons shall purchase the same for an amount at least equal to the full amount due on the Special Assessment (principal, interest, penalties and costs, plus attorneys fees, if any), the property may then be purchased by the Issuer, to the extent the Issuer has available funds, for an amount equal to the balance due on the Special Assessment (principal, interest, penalties and costs, plus attorneys fees, if any), and the Issuer shall thereupon receive in its corporate name or in a special purpose entity created by the District, the title to the property for the benefit of the Registered Owners. The Issuer, either through its own actions or actions caused to be done through the Trustee, shall have the power and shall use its best efforts to lease or sell such property and deposit all of the net proceeds of any such lease or sale into the related Series Account of the Revenue Fund. Not less than ten (10) days prior to the filing of any foreclosure action or any sale of tax deed as herein provided, the Issuer shall cause written notice thereof to be mailed to the Trustee of the Series of Bonds secured by such delinquent Special Assessments. Not less than thirty (30) days prior to the proposed sale of any lot or tract of land acquired by foreclosure by the Issuer, it shall give written notice thereof to such Trustee. The Issuer, either through its own actions or actions caused to be done through the Trustee, agrees that it shall be required to take the measure provided by law for sale of property acquired by it as trustee for the Registered Owners within thirty (30) days after the receipt of the request therefor signed by the Registered Owners of at least fifty percent (50%) of the aggregate principal amount of all Outstanding Bonds of the Series payable from Special Assessments assessed on such property. If directed by the Beneficial Owners of a majority of the Bonds Outstanding and permitted by Florida law or if the Trustee or the Issuer shall so elect, the Issuer and the Trustee may place title of property received upon foreclosure or deed in lieu of foreclosure into a special purpose entity controlled by the Trustee or such other entity acceptable to the Beneficial Owners of a majority of the Bonds of a Series so effected by such foreclosure, for the benefit of the Registered Owners. Nothing contained herein shall prevent the Issuer from taking all legally available actions to recover unpaid operation and maintenance assessments, including foreclosure.

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Section 9.07 Books and Records with Respect to Special Assessments. In addition to the books and records required to be kept by the Issuer pursuant to the provisions of Section 9.15 hereof, the Issuer shall keep books and records for the collection of the Special Assessments on the District Lands, which such books, records and accounts shall be kept separate and apart from all other books, records and accounts of the Issuer. The District Manager or the District Manager's designee, at the end of each Fiscal Year, shall prepare a written report setting forth the collections received, the number and amount of delinquencies, the proceedings taken to enforce collections and cure delinquencies and an estimate of time for the conclusion of such legal proceedings.

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

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

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

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

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

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modifications that the Issuer may desire), (B) an opinion from the Consulting Engineer that the Project can be repaired, rebuilt, replaced or restored within two (2) years following the damage, destruction or condemnation thereof and (C) an opinion of the Consulting Engineer that, in each of the three (3) Fiscal Years following completion of such repair, rebuilding, replacement or restoration, the Issuer will be in compliance with its obligations hereunder. If the certificate described in clause (A) of this paragraph is not rendered because such proceeds or awards are insufficient for such purposes, the Issuer may deposit any other legally available funds in such separate fund in an amount required to enable the Consulting Engineer to render its certificate. If the insurance proceeds or condemnation awards deposited in such separate fund are more than sufficient to repair the damaged property or to replace the destroyed or taken property, the balance thereof remaining shall be deposited to the credit of the related Series Account in the Revenue Fund.

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

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

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

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

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

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(a) Except as otherwise provided in subsection (d) of this Section, the Issuer will carry or cause to be carried, in respect of each Project, comprehensive general liability insurance (covering bodily injury and property damage) issued by one or more insurance companies authorized and qualified to do business under the laws of the State, in such amounts as is customary for similar operations, or as is more specifically set forth below.

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

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

(c) All proceeds received from property damage or destruction insurance and all proceeds received from the condemnation of any Project or any part thereof in excess of Five Hundred Thousand Dollars (\$500,000) are hereby pledged by the Issuer as security for the related Series of Bonds and shall be deposited at the option of the Issuer, but subject to the limitations hereinafter described, either (i) into the Acquisition and Construction Fund, and used to remedy the loss, damage or taking for which such proceeds are received, either by repairing the damaged property or replacing the destroyed or taken property, as soon as practicable after the receipt of such proceeds, or (ii) if so provided in the applicable Supplemental Indenture into the related Series Account within the Bond Redemption Fund for the purpose of purchasing or redeeming Bonds according to the provisions set forth in Article VIII hereof. The Issuer shall not be entitled to deposit insurance proceeds or condemnation awards into the separate fund described above in clause (i) of this paragraph (and such proceeds and awards shall be deposited directly into the related Series Account within the Bond Redemption Fund pursuant to clause (ii) of this paragraph) unless there shall have been filed with the Issuer within a reasonable time after the damage, destruction or condemnation (A) a certificate from the Consulting Engineer that the proceeds of the insurance or condemnation awards deposited into such separate fund, together with other funds available for such purposes, will be sufficient to repair, rebuild, replace or restore such property to substantially the same condition as it was in prior to its damage, destruction or condemnation (taking into consideration any changes, alterations and

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Section 9.14 Use of Revenues for Authorized Purposes Only. None of the Pledged Revenues shall be used for any purpose other than as provided in this Master Indenture and the related Supplemental Indenture and no contract or contracts shall be entered into or any action taken by the Issuer or the Trustee which will be inconsistent with the provisions of this Master Indenture and the related Supplemental Indenture.

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

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

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

Section 9.18 Annual Budget. The reports and budget of the Issuer shall relate to its Fiscal Year.

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

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

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

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

Section 9.21 Reserved.

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

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

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

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

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

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Section 9.30 Continuing Disclosure. The Issuer hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement. Notwithstanding any other provision of this Master Indenture and any Supplemental Indenture, failure of the Issuer or the Developer (if obligated pursuant to the Continuing Disclosure Agreement) to comply with the Continuing Disclosure Agreement shall not be considered an Event of Default; however, the Trustee may (and, at the request of any participating underwriter or the Holders of at least 25% aggregate principal amount in Outstanding Bonds of a Series and receipt of indemnity to its satisfaction, shall) or any Holder of the Bonds or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the Issuer to comply with its obligations under this Section 9.30. For purposes of this Section, "Beneficial Owner" means any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

[END OF ARTICLE IX]

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

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

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

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

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

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## ARTICLE X EVENTS OF DEFAULT AND REMEDIES

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

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

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

(b) if payment of the principal or Redemption Price of any Bond of such Series is not made when it becomes due and payable at maturity or upon call or presentation for redemption; or

(c) if the Issuer, for any reason, fails in, or is rendered incapable of, fulfilling its material obligations under the Indenture or under the Act; or

(d) if the Issuer proposes or makes an assignment for the benefit of creditors or enters into a composition agreement with all or a material part of its creditors, or a trustee, receiver, executor, conservator, liquidator, sequester or other judicial representative, similar or dissimilar, is appointed for the Issuer or any of its assets or revenues, or there is commenced any proceeding in liquidation, bankruptcy, reorganization, arrangement of debts, debtor rehabilitation, creditor adjustment or insolvency, local, state or federal, by or against the Issuer and if such is not vacated, dismissed or stayed on appeal within ninety (90) days; or

(e) if the Issuer defaults in the due and punctual performance of any other covenant in the Indenture or in any Bond of such Series issued pursuant to the Indenture and such default continues for sixty (60) days after written notice requiring the same to be remedied shall have been given to the Issuer by the Trustee, which may give such notice in its discretion and shall give such notice at the written request of the Majority Owners of such Series; provided, however, that if such performance requires work to be done, actions to be taken, or conditions to be remedied, which by their nature cannot reasonably be done, taken or remedied, as the case may be, within such sixty (60) day period, no Event of Default shall be deemed to have occurred or exist if, and so long as the Issuer shall commence such performance within such sixty (60) day period and shall diligently and continuously prosecute the same to completion; or

(f) written notice shall have been received by the Trustee from a Credit Facility Issuer securing Bonds of such Series that an event of default has occurred under the Credit Facility Agreement, or there shall have been a failure by said Credit Facility Issuer to make said Credit Facility available or to reinstate the interest component of said Credit Facility in accordance with the terms of said Credit Facility, to the extent said notice or failure is established as an event of default under the terms of a Supplemental Indenture.

Section 10.03 No Acceleration; Redemption. No Series of Bonds issued under this Master Indenture shall be subject to acceleration unless the Special Assessments securing such

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

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

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

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

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

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

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

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

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

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

Section 10.13 Credit Facility Issuer's Rights Upon Events of Default. Anything in the Indenture to the contrary notwithstanding, if any Event of Default, other than Events of Default described in Section 10.02(a) or (b) hereof, has occurred and is continuing while a Credit Facility securing all or a portion of such Bonds of a Series Outstanding is in effect, the Credit Facility Issuer shall have the right, in lieu of the Owners of the Series of Bonds (or portion thereof) secured by said Credit Facility, by an instrument in writing, executed and delivered to the Trustee, to direct the time, method and place of conducting all remedial proceedings available to the Trustee under the Indenture, or exercising any trust or power conferred on the Trustee by the Indenture. Said direction shall be controlling to the extent the direction of Owners of the Series of Bonds (or portion thereof) secured by said Credit Facility would have been controlling under this Article. If the Credit Facility Issuer shall be in default in the performance of its obligations under the Credit Facility, said Credit Facility Issuer shall have no rights under this Section.

[END OF ARTICLE X]

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

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

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

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

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

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

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

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

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

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## ARTICLE XI THE TRUSTEE; THE PAYING AGENT AND REGISTRAR

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

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

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

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

**Section 11.04 Compensation and Indemnity.** The Issuer shall pay the Trustee reasonable compensation for its services hereunder, and also all its reasonable expenses and disbursements, and shall, to the extent permitted by law, indemnify and hold the Trustee harmless against any liabilities which it may incur in the proper exercise and performance of its powers and duties hereunder, except with respect to its own willful misconduct or negligence and shall to the extent permitted by law, and without waiving any of the privileges and immunities afforded the Issuer under Florida law the Trustee against any liabilities which it may incur in the proper exercise and performance of its powers and duties hereunder, except with respect to its own willful misconduct or negligence. If the Issuer defaults in respect of the foregoing obligations, the Trustee may deduct the amount owing to it from any moneys held by it or coming into its hands but exclusive of the Rebate Fund and moneys from a drawing on any Credit Facility, which right of payment shall be prior to the right of the holders of the Bonds. The Trustee shall promptly provide a statement of any moneys the Trustee has deducted in amounts owing to it. This Section 11.04 shall survive the termination of this Master Indenture and any Supplemental Indenture and, as to any Trustee, its removal or resignation as Trustee. No provision of this Master Indenture shall require the Trustee to expend or risk its own funds.

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

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

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

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

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

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

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

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

**Section 11.17 Extension of Rights and Duties of Trustee to Paying Agent and Registrar.** The provisions of Sections 11.02, 11.03, 11.04, 11.08, 11.09, 11.10 and 11.16 hereof are hereby made applicable to the Paying Agent and the Registrar, as appropriate, and any

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

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

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

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

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

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

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

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

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

**Section 11.21 Qualifications of Successor Paying Agent or Registrar.** Every successor Paying Agent or Registrar (a) shall be a commercial bank or trust company (i) duly organized under the laws of the United States or any state or territory thereof, (i) authorized by law to perform all the duties imposed upon it by this Master Indenture and all Supplemental Indentures

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and (iii) capable of meeting its obligations hereunder, and (b) shall have a combined net capital and surplus of at least \$75,000,000.

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

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

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

[END OF ARTICLE XI]

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## ARTICLE XIII AMENDMENTS AND SUPPLEMENTS

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

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

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

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

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

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

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

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

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

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

[END OF ARTICLE XII]

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

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

[END OF ARTICLE XIII]

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## ARTICLE XIV DEFEASANCE

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

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

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## ARTICLE XV MISCELLANEOUS PROVISIONS

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

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

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

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

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

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

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

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

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

[END OF ARTICLE XIV]

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(a) As to the Issuer -

Edgewater East Community Development District  
c/o District Manager  
2300 Glades Road, Suite 410W  
Boca Raton, Florida 33431

with a copy to -

Hopping Green & Sams P.A.  
119 S. Monroe Street, Suite 300  
Tallahassee, Florida 32301  
Attention: Michael C. Eckert

(b) As to the Trustee -

U.S. Bank National Association  
500 West Cypress Creek Road, Suite 460  
Fort Lauderdale, Florida 33309

Except as otherwise provided in this Master Indenture or any Supplemental Indenture, any notice shall be deemed received only upon actual delivery at the address set forth above. Notices delivered after 5:00 p.m. (at the place of delivery) or on a non-Business Day, shall be deemed received on the next Business Day. If any time for giving notice contained in this Master Indenture or any Supplemental Indenture would otherwise expire on a non-Business Day, the notice period shall be extended to the next succeeding Business Day. Counsel for the Issuer and counsel for the Trustee may deliver notice on behalf of the Issuer and the Trustee, respectively. Any party or other person to whom notices are to be sent or copied may notify the other parties and addressees of any change in name or address to which notices shall be sent by providing the same on five (5) days written notice to the parties and addressees set forth herein.

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

All documents received by the Trustee under the provisions of this Master Indenture or any Supplemental Indenture and not required to be redelivered shall be retained in its possession, subject at all reasonable times to the inspection of the Issuer, any Consultant, any Bondholder and the agents and representatives thereof as evidence in writing. The Trustee agrees to accept and act upon instructions or directions pursuant to this Indenture sent by the Issuer by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, provided, however, that the Issuer shall provide to the Trustee an incumbency certificate listing designated persons with the authority to provide such instructions, which incumbency certificate shall be amended whenever a person is to be added or deleted from the listing. The Issuer agrees that the Trustee shall have no liability for acting pursuant to correspondence that the Trustee believes to be given pursuant to this section.



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

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

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

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

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

Section 15.12 Patriot Act Requirements of Trustee. To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. For a non-individual person such as a business entity, a charity, a trust, or other legal entity, the Trustee will ask for documentation to verify such non-individual person's formation and existence as a legal entity. The Trustee may also ask to see financial statements, licenses, identification and authorization documents from individuals claiming authority to represent the entity or other relevant documentation.

Section 15.13 Brokerage Confirmations. The Issuer acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Issuer the right to receive individual confirmations of security transactions at no additional cost, as they occur, the Issuer specifically waives receipt of such confirmations to the extent permitted by law. The Trustee will furnish the Issuer periodic cash transaction statements that include detail for all investment transactions made by the Trustee hereunder.

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

EDGEWATER EAST COMMUNITY  
DEVELOPMENT DISTRICT

Attest:

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

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: Secretary, Board of Supervisors

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

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

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

EDGEWATER EAST COMMUNITY  
DEVELOPMENT DISTRICT

Attest:

By: [Signature]  
Name: CRISTIAN LUATHEI  
Title: Secretary, Board of Supervisors

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

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

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

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

EDGEWATER EAST COMMUNITY  
DEVELOPMENT DISTRICT

Attest:

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: Secretary, Board of Supervisors

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

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

By: [Signature]  
Title: Assistant Vice President

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EXHIBIT A

EDGEWATER EAST COMMUNITY DEVELOPMENT DISTRICT

(Acquisition and Construction Fund Requisition)

The undersigned, a Responsible Officer of the Edgewater East Community Development District (the "District") hereby submits the following requisition for disbursement under and pursuant to the terms of the Master Trust Indenture between the District and U.S. Bank National Association, as trustee (the "Trustee"), dated as of March 1, 2021, as supplemented by that certain \_\_\_\_\_ Supplemental Trust Indenture dated as of \_\_\_\_\_ (collectively, the "Indenture") (all capitalized terms used herein shall have the meaning ascribed to such term in the Indenture);

- (A) Requisition Number;
- (B) Name of Payee;
- (C) Amount Payable;
- (D) Purpose for which paid or incurred (refer also to specific contract if amount is due and payable pursuant to a contract involving progress payments):

The undersigned hereby certifies that:

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

The undersigned hereby further certifies that there has not been filed with or served upon the District notice of any lien, right to lien, or attachment upon, or claim affecting the right to receive payment of, any of the moneys payable to the Payee set forth above, which has not been released or will not be released simultaneously with the payment hereof.

The undersigned hereby further certifies that such requisition contains no item representing payment on account of any retained percentage which the District is at the date of such certificate entitled to retain.

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

EDGEWATER EAST COMMUNITY  
DEVELOPMENT DISTRICT

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

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

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

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

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between

**EDGEWATER EAST  
COMMUNITY DEVELOPMENT DISTRICT**

and

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

as Trustee

Dated as of \_\_\_\_\_ 1, 2025

**Authorizing and Securing  
\$  
EDGEWATER EAST COMMUNITY DEVELOPMENT DISTRICT  
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2025  
(ASSESSMENT AREA THREE)**

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THIS **THIRD SUPPLEMENTAL TRUST INDENTURE** (the "Third Supplemental Trust Indenture"), dated as of \_\_\_\_\_ 1, 2025 between the **EDGEWATER EAST COMMUNITY DEVELOPMENT DISTRICT** (together with its successors and assigns, the "Issuer" or the "District"), a local unit of special-purpose government organized and existing under the laws of the State of Florida, and **U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION**, a national banking association 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 (said national banking association and any bank or trust company becoming successor trustee under this Third Supplemental Trust Indenture being hereinafter referred to as the "Trustee");

**WITNESSETH:**

**WHEREAS**, the Issuer is a local unit of special purpose government duly organized and existing under the provisions of the Uniform Community Development District Act of 1980, Chapter 190, *Florida Statutes*, as amended (the "Act") created pursuant to Ordinance No. 2020-49 enacted by the Board of County Commissioners of Osceola County, Florida (the "County") adopted on June 15, 2020 and effective June 16, 2020, as amended by Ordinance No. 2020-66, Ordinance No. 2021-86, and Ordinance No. 2023-15, enacted by the Board of County Commissioners of Osceola County, Florida on September 21, 2020, December 13, 2021 and December 18, 2023, respectively, and effective on September 23, 2020, December 16, 2021 and December 27, 2023, respectively, for the purposes of delivering community development services and facilities to property to be served by the District (as defined below); and

**WHEREAS**, the premises governed by the Issuer (the "District Lands"), currently consist of approximately 1,390.074 acres of land located entirely within the County; and

**WHEREAS**, the Issuer has been created for the purpose of delivering certain community development services and facilities for the benefit of the District Lands; and

**WHEREAS**, the Issuer has determined to undertake, in multiple phases, the acquisition and/or construction of public infrastructure improvements and community facilities as set forth in the Act for the special benefit of the District Lands (the "Project"), as described in the Engineer's Report for the Edgewater East Community Development District dated August 26, 2020, prepared by Hanson, Walter & Associates, Inc.; and

**WHEREAS**, the Issuer has adopted Resolution No. 2020-29 on July 16, 2020 (the "Authorizing Resolution"), authorizing the issuance of not to exceed \$190,100,000 in aggregate principal amount of its Special Assessment Revenue Bonds (the "Bonds") to finance all or a portion of the planning, design, acquisition and construction costs of certain improvements pursuant to the Act for the special benefit of the District Lands or portions thereof and approving the form of and authorizing the execution and delivery of the Master Indenture (as defined herein); and

**WHEREAS**, Edgewater Property Holdings, LLC, a Delaware limited liability company (the "Developer") is the owner of the lands within the District that are planned to be developed with 679 residential units within an approximately 286.8 acre residential community ("Assessment

(ii)

Area Three"), and at this time, the developer will construct or cause the Issuer to construct a portion of the master public infrastructure necessary for development of Assessment Area Three (the "Assessment Area Three Project"); and

**WHEREAS**, pursuant to that certain Master Trust Indenture dated as of March 1, 2021 (the "Master Indenture"), as supplemented by a First Supplemental Trust Indenture dated as of March 1, 2021, each between the Issuer and the Trustee, the Issuer previously issued its \$19,895,000 Edgewater East Community Development District Special Assessment Revenue Bonds, Series 2021 (Assessment Area One), for the primary purpose of funding a portion of the costs of certain public improvements; and

**WHEREAS**, pursuant to the Master Indenture, as supplemented by a Second Supplemental Trust Indenture dated as of February 1, 2022, between the Issuer and the Trustee, the Issuer previously issued its \$33,925,000 Edgewater East Community Development District Special Assessment Revenue Bonds, Series 2022 (Assessment Area Two), for the primary purpose of funding a portion of the costs of certain public improvements; and

**WHEREAS**, the Issuer has determined to undertake the development of the Assessment Area Three Project and has determined to issue a third Series of Bonds, designated as the Edgewater East Community Development District Special Assessment Revenue Bonds, Series 2025 (Assessment Area Three) (the "Series 2025 Bonds"), pursuant to the Master Indenture and this Third Supplemental Trust Indenture (hereinafter sometimes collectively referred to as the "Series 2025 Indenture"); and

**WHEREAS**, the execution and delivery of this Third Supplemental Trust Indenture has been authorized pursuant to Resolution No. 2025-07 adopted by the Issuer on January 9, 2025; and

**WHEREAS**, in the manner provided herein, the net proceeds of the Series 2025 Bonds will be used for the purposes of (i) providing funds to pay all or a portion of the costs of the planning, financing, acquisition, construction, equipping and installation of the Assessment Area Three Project, (ii) funding a deposit to the Series 2025 Reserve Account in the amount of the Series 2025 Reserve Requirement, (iii) funding a portion of the interest coming due on the Series 2025 Bonds, and (iv) paying the costs of issuance of the Series 2025 Bonds; and

**WHEREAS**, the Series 2025 Bonds will be secured by a pledge of Series 2025 Pledged Revenues (as herein defined) to the extent provided herein.

**NOW, THEREFORE, THIS THIRD SUPPLEMENTAL TRUST INDENTURE WITNESSETH**, that to provide for the issuance of the Series 2025 Bonds, the security and payment of the principal or redemption price thereof (as the case may be) and interest thereon, the rights of the Bondholders and the performance and observance of all of the covenants contained herein and in said Series 2025 Bonds, and for and in consideration of the mutual covenants herein contained and of the purchase and acceptance of the Series 2025 Bonds by the Holders thereof, from time to time, and of the acceptance by the Trustee of the trusts hereby created, and intending to be legally bound hereby, the Issuer does hereby assign, transfer, set over and pledge to U.S. Bank Trust Company, National Association, as Trustee, its successors in trust and its assigns forever, and grants a lien on all of the right, title and interest of the Issuer in and to the Series 2025

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"Assessment Area Three Project" shall mean Phase 3 of the master public infrastructure described on Exhibit A attached hereto.

"Assessment Resolutions" shall mean Resolution Nos. 2020-26, 2020-27, 2020-32 and 2025-\_\_ of the Issuer adopted on July 16, 2020, July 16, 2020, August 26, 2020 and \_\_\_\_, 2025, respectively, as amended and supplemented from time to time.

"Authorized Denomination" shall mean, with respect to the Series 2025 Bonds, on the date of issuance in the denominations of \$5,000 and any integral multiple thereof; provided, however, if any initial Beneficial Owner (as defined herein) 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 Issuer and the Underwriter on the date of delivery of the Series 2025 Bonds the investor letter 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.

"City" shall mean the City of St. Cloud, Florida.

"Collateral Assignment" shall mean the agreement wherein certain rights and material documents necessary to complete the development of the Assessment Area Three Project by the Developer are collaterally assigned to the District as security for the Developer's obligation to pay the Series 2025 Special Assessments imposed against such lands which are within Assessment Area Three subject to the Series 2025 Special Assessments and owned by the Developer from time to time.

"Completion Agreement" shall mean the Agreement between the District and the Developer regarding the completion of certain improvements dated \_\_\_\_, 2025.

"Continuing Disclosure Agreement" shall mean the Continuing Disclosure Agreement for the benefit of the Beneficial Owners of the Series 2025 Bonds, dated \_\_\_\_, 2025, by and among the Issuer, the dissemination agent named therein, and the Developer, in connection with the issuance of the Series 2025 Bonds.

"Declaration of Consent" shall mean, collectively, those certain instruments executed by the Developer declaring consent to the jurisdiction of the District and the imposition of the Series 2025 Special Assessments.

"Developer" shall mean Edgewater Property Holdings, LLC, and any entity or entities which succeed to all or any part of the interests and assume any or all of the responsibilities of said entity.

"District Lands" shall mean the approximately 1390.074 acres of land within the District currently planned for 4,608 residential units, the recreation areas, parks and related infrastructure.

"District Manager" shall mean Wrathell Hunt & Associates, LLC, and its successors and assigns.

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Pledged Revenues as security for the payment of the principal, redemption or purchase price of (as the case may be) and interest on the Series 2025 Bonds issued hereunder, all in the manner hereinafter provided, and the Issuer further hereby agrees with and covenants unto the Trustee as follows:

**TO HAVE AND TO HOLD** the same and, to the extent the same may be lawfully granted, any other revenues, property, contracts or contract rights, accounts receivable, chattel paper, instruments, general intangibles or other rights and the proceeds thereof, which may, by delivery, assignment or otherwise, be subject to the lien created by the Series 2025 Indenture with respect to the Series 2025 Bonds.

**IN TRUST NEVERTHELESS**, for the equal and ratable benefit and security of all present and future Holders of the Series 2025 Bonds issued and to be issued under this Third Supplemental Trust Indenture, without preference, priority or distinction as to lien or otherwise (except as otherwise specifically provided in this Third Supplemental Trust Indenture) of any one Series 2025 Bond over any other Series 2025 Bond, all as provided in the Series 2025 Indenture.

**PROVIDED, HOWEVER**, that if the Issuer, its successors or assigns, shall well and truly pay, or cause to be paid, or make due provision for the payment of the principal or redemption price of the Series 2025 Bonds issued, secured and Outstanding hereunder and the interest due or to become due thereon, at the times and in the manner mentioned in such Series 2025 Bonds and the Series 2025 Indenture, according to the true intent and meaning thereof and hereof, and the Issuer shall well and truly keep, perform and observe all the covenants and conditions pursuant to the terms of the Series 2025 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 hereof, then upon such final payments this Third Supplemental Trust Indenture and the rights hereby granted shall cease and terminate, otherwise this Third Supplemental Trust Indenture to be and remain in full force and effect.

## ARTICLE I DEFINITIONS

In this Third Supplemental Trust Indenture capitalized terms used without definition shall have the meanings ascribed thereto in the Master Indenture and, in addition to certain terms defined in the recitals above, the following terms shall have the meanings specified below, unless otherwise expressly provided or unless the context otherwise requires:

"Acquisition Agreement" shall mean that certain Agreement by and between the District, the Developer regarding the acquisition of certain work product, improvements and real property dated \_\_\_\_, 2025.

"Arbitrage Certificate" shall mean that certain Arbitrage Certificate, including arbitrage rebate covenants, of the Issuer, dated \_\_\_\_, 2025, relating to certain restrictions on arbitrage under the Code with respect to the Series 2025 Bonds.

"Assessment Area Three" shall mean the 679 platted lots on the District Lands to be assessed to secure the Assessment Area Three Project.

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"Electronic Means" shall mean telecopy, facsimile transmission, email transmission or other similar electronic means of communicating providing evidence of transmission.

"Engineer's Report" shall mean the Engineer's Report for the Edgewater East Community Development District dated as of August 26, 2020, as supplemented by the Supplemental Engineer's Report for Assessment Area 3 (ED-6S), dated January 9, 2025, prepared by Hanson, Walter & Associates, Inc.

"Interest Payment Date" shall mean May 1 and November 1 of each year, commencing November 1, 2025.

"Majority Holders" means the Beneficial Owners of more than fifty percent (50%) in aggregate principal amount of the Outstanding Series 2025 Bonds.

"Master Indenture" shall mean the Master Trust Indenture, dated as of March 1, 2021, by and between the Issuer and the Trustee, as supplemented and amended with respect to matters pertaining solely to the Master Indenture or the Series 2025 Bonds.

"Paying Agent" shall mean U.S. Bank Trust Company, National Association, and its successors and assigns as Paying Agent hereunder.

"Prepayment" shall mean the payment by any owner of property of the amount of Series 2025 Special Assessments encumbering its property, in whole or in part, prior to its scheduled due date, including optional prepayments. The term "Prepayment" also means any proceeds received as a result of accelerating and/or foreclosing the Series 2025 Special Assessments.

"Project" shall mean all of the public infrastructure deemed necessary for the development of the District including, but not limited to, the Assessment Area Three Project.

"Quarterly Redemption Date" shall mean each February 1, May 1, August 1, and November 1 of any calendar year.

"Redemption Price" shall mean the principal amount of any Series 2025 Bond plus the applicable premium, if any payable upon redemption thereof pursuant to this Third Supplemental Trust Indenture.

"Registrar" shall mean U.S. Bank Trust Company, National Association and its successors and assigns as Registrar hereunder.

"Regular Record Date" shall mean the fifteenth day (whether or not a Business Day) of the calendar month next preceding each Interest Payment Date or the date on which the principal of the Series 2025 Bonds are to be paid.

"Reserve Release Conditions #1" shall mean collectively (i) all of the Outstanding principal amount of the Series 2025 Special Assessments shall have been assigned to lots that have been developed, platted and conveyed to homebuilders, and (ii) there shall be no Events of Default under the Series 2025 Indenture, all as certified by the District Manager in writing and upon which the Trustee may conclusively rely.

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"Reserve Release Conditions #2" shall mean collectively (i) satisfaction of Reserve Release Conditions #1, (ii) all of the Outstanding principal portion of the Series 2025 Special Assessments has been assigned to homes that have received a certificate of occupancy, and (iii) there shall be no Events of Default under the Series 2025 Indenture, all as certified by the District Manager in writing and upon which the Trustee may conclusively rely.

"Resolution" shall mean, collectively, (i) Resolution No. 2020-28 of the Issuer adopted on July 16, 2020, pursuant to which the Issuer authorized the issuance of not exceeding \$190,100,000 aggregate principal amount of its Bonds to finance the construction or acquisition of the Project, and (ii) Resolution No. 2025-07 of the Issuer adopted on January 9, 2025, pursuant to which the Issuer authorized, among other things, the issuance of the Series 2025 Bonds to pay all or a portion of the costs of the planning, financing, acquisition, construction, equipping and installation of the Assessment Area Three Project, specifying the details of the Series 2025 Bonds and awarding the Series 2025 Bonds to the purchasers of the Series 2025 Bonds.

"Series 2025 Acquisition and Construction Account" shall mean the Account so designated, established as a separate Account within the Acquisition and Construction Fund pursuant to Section 4.01(a) of this Third Supplemental Trust Indenture in connection with the components of the Assessment Area Three Project.

"Series 2025 Bond Redemption Account" shall mean the Account so designated, established as a separate Account within the Bond Redemption Fund pursuant to Section 4.01(g) of this Third Supplemental Trust Indenture.

"Series 2025 Bonds" shall mean the \$ \_\_\_\_\_ aggregate principal amount of Edgewater East Community Development District Special Assessment Revenue Bonds, Series 2025, to be issued as fully registered Bonds in accordance with the provisions of the Master Indenture and this Third Supplemental Trust Indenture, and secured and authorized by the Master Indenture and this Third Supplemental Trust Indenture.

"Series 2025 Costs of Issuance Account" shall mean the Account so designated, established as a separate Account within the Acquisition and Construction Fund pursuant to Section 4.01(a) of this Third Supplemental Trust Indenture.

"Series 2025 General Redemption Subaccount" shall mean the subaccount so designated, established as a separate subaccount under the Series 2025 Bond Redemption Account pursuant to Section 4.01(g) of this Third Supplemental Trust Indenture.

"Series 2025 Indenture" shall mean collectively, the Master Indenture and this Third Supplemental Trust Indenture.

"Series 2025 Interest Account" shall mean the Account so designated, established as a separate Account within the Debt Service Fund pursuant to Section 4.01(d) of this Third Supplemental Trust Indenture.

"Series 2025 Optional Redemption Subaccount" shall mean the subaccount so designated, established as a separate subaccount under the Series 2025 Bond Redemption Account pursuant to Section 4.01(g) of this Third Supplemental Trust Indenture.

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with the extraordinary mandatory redemption described in Sections 3.01(b)(i) and 3.01(b)(iii) hereof (but not upon the optional or mandatory sinking fund redemption thereof) and such excess amount shall be released from the Series 2025 Reserve Account and, other than as provided in the immediately preceding sentence, transferred to the Series 2025 General Redemption Subaccount or the Series 2025 Prepayment Subaccount, as applicable, in accordance with the provisions of Sections 3.01(b)(i), 3.01(b)(iii), 4.01(f), 4.01(i) and 4.05(a) hereof. Amounts on deposit in the Series 2025 Reserve Account may, upon final maturity or redemption of all Outstanding Series 2025 Bonds be used to pay principal of and interest on the Series 2025 Bonds at that time. Initially, the Series 2025 Reserve Requirement shall be equal to \$ \_\_\_\_\_.

"Series 2025 Revenue Account" shall mean the Account so designated, established as a separate Account within the Revenue Fund pursuant to Section 4.01(b) of this Third Supplemental Trust Indenture.

"Series 2025 Sinking Fund Account" shall mean the Account so designated, established as a separate Account within the Debt Service Fund pursuant to Section 4.01(e) of this Third Supplemental Trust Indenture.

"Series 2025 Special Assessments" shall mean the Special Assessments levied on Assessment Area Three as a result of the Issuer's acquisition and/or construction of the Assessment Area Three Project, corresponding in amount to the debt service on the Series 2025 Bonds and designated as such in the methodology report relating thereto.

"Substantially Absorbed" means the date at least 90% of the principal portion of the Series 2025 Special Assessments has been assigned to residential units within Assessment Area Three that have received certificates of occupancy. The District shall present the Trustee with a certification that the Series 2025 Special Assessments are Substantially Absorbed and the Trustee may rely conclusively upon such certification and shall have no duty to verify if the Series 2025 Special Assessments are Substantially Absorbed.

"True-Up Agreement" shall mean the Agreement dated \_\_\_\_\_, 2025, by and between the Issuer and the Developer relating to mandatory prepayment of all or a portion of Series 2025 Special Assessments.

"Underwriter" shall mean FMSBonds, Inc., the underwriter of the Series 2025 Bonds.

The words "hereof," "herein," "hereto," "hereby," and "hereunder" (except in the form of Series 2025 Bonds), refer to the entire Series 2025 Indenture.

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

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

[END OF ARTICLE I]

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"Series 2025 Pledged Revenues" shall mean with respect to the Series 2025 Bonds (a) all revenues received by the Issuer from Series 2025 Special Assessments levied and collected on the assessable lands within Assessment Area Three, benefited by the Assessment Area Three Project, including, without limitation, amounts received from any foreclosure proceeding for the enforcement of collection of such Series 2025 Special Assessments or from the issuance and sale of tax certificates with respect to such Series 2025 Special Assessments, and (b) all moneys on deposit in the Funds and Accounts established under the Series 2025 Indenture created and established with respect to or for the benefit of the Series 2025 Bonds; provided, however, that Series 2025 Pledged Revenues shall not include (A) any moneys transferred to the Series 2025 Rebate Fund and investment earnings thereon, (B) moneys on deposit in the Series 2025 Costs of Issuance Account of the Acquisition and Construction Fund, and (C) "special assessments" levied and collected by the Issuer under Section 190.022 of the Act for maintenance purposes or "maintenance assessments" levied and collected by the Issuer under Section 190.021(3) of the Act (it being expressly understood that the lien and pledge of the Series 2025 Indenture shall not apply to any of the moneys described in the foregoing clauses (A), (B) and (C) of this proviso).

"Series 2025 Prepayment Principal" shall mean the portion of a Prepayment corresponding to the principal amount of Series 2025 Special Assessments being prepaid pursuant to Section 4.05 of this Third Supplemental Trust Indenture or Series 2025 Special Assessments collected as a result of an acceleration of the Series 2025 Special Assessments pursuant to Section 170.10, Florida Statutes, if such Series 2025 Special Assessments are being collected through a direct billing method.

"Series 2025 Prepayment Subaccount" shall mean the subaccount so designated, established as a separate subaccount under the Series 2025 Bond Redemption Account pursuant to Section 4.01(g) of this Third Supplemental Trust Indenture.

"Series 2025 Rebate Account" shall mean the Account so designated, established as a separate Account within the Rebate Fund pursuant to Section 4.01(j) of this Third Supplemental Trust Indenture.

"Series 2025 Reserve Account" shall mean the Account so designated, established as a separate Account within the Reserve Fund pursuant to Section 4.01(f) of this Third Supplemental Trust Indenture.

"Series 2025 Reserve Requirement" or "Reserve Requirement" shall mean (i) initially, an amount equal to the maximum annual debt service on the Series 2025 Bonds as calculated from time to time; and (ii) upon the occurrence of the Reserve Release Conditions #1, fifty percent (50%) of the maximum annual debt service on the Series 2025 Bonds as calculated from time to time; and (iii) upon the occurrence of the Reserve Release Conditions #2, ten percent (10%) of the maximum annual debt service on the Series 2025 Bonds as calculated from time to time. Upon satisfaction of Reserve Release Conditions #1 or Reserve Release Conditions #2, as applicable, such excess amount shall be released from the Series 2025 Reserve Account and transferred to the Series 2025 Acquisition and Construction Account in accordance with the provisions of Sections 4.01(a) and 4.01(f) hereof. For the purpose of calculating the Series 2025 Reserve Requirement, maximum annual debt service, fifty percent (50%) of maximum annual debt service, or ten percent (10%) of maximum annual debt service, as the case may be, shall be recalculated in connection

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## ARTICLE II THE SERIES 2025 BONDS

**SECTION 2.01.** Amounts and Terms of the Series 2025 Bonds; Issue of Series 2025 Bonds. No Series 2025 Bonds may be issued under this Third Supplemental Trust Indenture except in accordance with the provisions of this Article and Articles II and III of the Master Indenture.

(a) The total principal amount of Series 2025 Bonds that may be issued under this Third Supplemental Trust Indenture is expressly limited to \$ \_\_\_\_\_. The Series 2025 Bonds shall be numbered consecutively from R-1 and upwards.

(b) Any and all Series 2025 Bonds shall be issued substantially in the form attached hereto as Exhibit B, with such appropriate variations, omissions and insertions as are permitted or required by the Series 2025 Indenture and with such additional changes as may be necessary or appropriate to conform to the provisions of the Resolution. The Issuer shall issue the Series 2025 Bonds upon execution of this Third Supplemental Trust Indenture and satisfaction of the requirements of Section 3.01 of the Master Indenture; and the Trustee shall, at the Issuer's request, authenticate such Series 2025 Bonds and deliver them as specified in the request.

**SECTION 2.02.** Execution. The Series 2025 Bonds shall be executed by the Issuer as set forth in the Master Indenture.

**SECTION 2.03.** Authentication. The Series 2025 Bonds shall be authenticated as set forth in the Master Indenture. No Series 2025 Bond shall be valid until the certificate of authentication shall have been duly executed by the Trustee, as provided in the Master Indenture.

**SECTION 2.04.** Purpose, Designation and Denominations of, and Interest Accruals on, the Series 2025 Bonds.

(a) The Series 2025 Bonds are being issued hereunder in order to provide funds for the purposes of (i) providing funds to pay all or a portion of the costs of the planning, financing, acquisition, construction, equipping and installation of the Assessment Area Three Project, (ii) funding a deposit to the Series 2025 Reserve Account in the amount of the Series 2025 Reserve Requirement, (iii) funding a portion of the interest coming due on the Series 2025 Bonds and (iv) paying the costs of issuance of the Series 2025 Bonds. The Series 2025 Bonds shall be designated "Edgewater East Community Development District Special Assessment Revenue Bonds, Series 2025" and shall be issued as fully registered Bonds without coupons in Authorized Denominations.

(b) The Series 2025 Bonds shall be dated as of the date of initial delivery. Interest on the Series 2025 Bonds shall be payable on each Interest Payment Date to maturity or prior redemption. Interest on the Series 2025 Bonds shall be payable from the most recent Interest Payment Date next preceding the date of authentication thereof to which interest has been paid, unless the date of authentication thereof is a May 1 or November 1 to which interest has been paid, in which case from such date of authentication, or unless the date of authentication thereof is prior to November 1, 2025, in which case from the date of initial delivery or unless the date of authentication thereof is between a Record Date and the next succeeding Interest Payment Date, in which case from such Interest Payment Date.

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(c) Except as otherwise provided in Section 2.07 of this Third Supplemental Trust Indenture in connection with a book entry only system of registration of the Series 2025 Bonds, the principal or Redemption Price of the Series 2025 Bonds shall be payable in lawful money of the United States of America at the designated corporate trust office of the Paying Agent upon presentation of such Series 2025 Bonds, as set forth in the form of the Series 2025 Bond attached hereto as Exhibit B.

**SECTION 2.05. Debt Service on the Series 2025 Bonds.**

(a) The Series 2025 Bonds will mature on May 1 in the years and in the principal amounts, and bear interest at the rates as set forth below, subject to the right of prior redemption in accordance with their terms.

Year	Amount	Interest Rate
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(b) Interest on the Series 2025 Bonds will be computed in all cases on the basis of a 360-day year of twelve 30 day months. Interest on overdue principal and, to the extent lawful, on overdue interest will be payable at the numerical rate of interest borne by the Series 2025 Bonds on the day before the default occurred.

**SECTION 2.06. Disposition of Series 2025 Bond Proceeds.** From the net proceeds of the Series 2025 Bonds received by the Trustee in the amount of \$\_\_\_\_\_ (par amount of \$\_\_\_\_\_, [plus/less [net] original issue premium/discount] of \$\_\_\_\_\_ and less an underwriter's discount of \$\_\_\_\_\_ which is retained by the underwriter of the Series 2025 Bonds):

(a) \$\_\_\_\_\_, which is an amount equal to the Series 2025 Reserve Requirement, shall be deposited in the Series 2025 Reserve Account of the Reserve Fund;

(b) \$\_\_\_\_\_, shall be deposited into the Series 2025 Interest Account and applied to pay interest coming due on the Series 2025 Bonds through November 1, 2025;

(c) \$\_\_\_\_\_, shall be deposited into the Series 2025 Costs of Issuance Account of the Acquisition and Construction Fund for payment of the costs of issuing the Series 2025 Bonds; and

(d) \$\_\_\_\_\_, representing the balance of the net proceeds of the Series 2025 Bonds, shall be deposited into the Series 2025 Acquisition and Construction Account of the Acquisition and Construction Fund, which the Issuer shall cause to be applied only to the payment of costs of the Assessment Area Three Project in accordance with Section 4.01(a) hereof, Article V of the Master Indenture and the terms of the Acquisition Agreement.

**SECTION 2.07. Book-Entry Form of Series 2025 Bonds.** The Series 2025 Bonds shall be issued as one fully registered bond for each maturity of Series 2025 Bonds and deposited

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**SECTION 2.08. Appointment of Registrar and Paying Agent.** The Issuer shall keep, at the designated corporate trust office of the Registrar, books (the "Bond Register") for the registration, transfer and exchange of the Series 2025 Bonds, and hereby appoints U.S. Bank Trust Company, National Association, as its Registrar to keep such books and make such registrations, transfers, and exchanges as required hereby. U.S. Bank Trust Company, National Association hereby accepts its appointment as Registrar and its duties and responsibilities as Registrar hereunder. Registrations, transfers and exchanges shall be without charge to the Bondholder requesting such registration, transfer or exchange, but such Bondholder shall pay any taxes or other governmental charges on all registrations, transfers and exchanges.

The Issuer hereby appoints U.S. Bank Trust Company, National Association, as Paying Agent for the Series 2025 Bonds. U.S. Bank Trust Company, National Association hereby accepts its appointment as Paying Agent and its duties and responsibilities as Paying Agent hereunder.

**SECTION 2.09. Conditions Precedent to Issuance of the 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 Issuer for delivery to the Trustee and thereupon shall be authenticated by the Trustee and delivered to the Issuer or upon its order, but only upon the further receipt by the Trustee of:

- (a) Certified copies of the Assessment Resolutions;
- (b) Copies of the executed Master Indenture and this Third Supplemental Trust Indenture;
- (c) Customary closing opinions of District Counsel and Bond Counsel;
- (d) A certificate of an authorized officer to the effect that, upon the authentication and delivery of the Series 2025 Bonds, the Issuer will not be in default in the performance of the terms and provisions of the Master Indenture or this Third Supplemental Trust Indenture;
- (e) Copies of executed investor letters in the form attached hereto as Exhibit D if such investor letter is required, as determined by the Underwriter; and
- (f) Executed copies of the Arbitrage Certificate, the True-Up Agreement, the Acquisition Agreement, Declaration of Consent, the Completion Agreement, the Continuing Disclosure Agreement and the Collateral Assignment.

Payment to the Trustee of the net proceeds of the Series 2025 Bonds shall be conclusive evidence that the foregoing conditions have been fulfilled to the satisfaction of the Issuer and the Underwriter.

[END OF ARTICLE II]

with The Depository Trust Company ("DTC"), which is responsible for establishing and maintaining records of ownership for its participants.

As long as the Series 2025 Bonds are held in book-entry-only form, Cede & Co. shall be considered the Registered Owner for all purposes hereof and in the Master Indenture. The Series 2025 Bonds shall not be required to be presented for payment. DTC shall be responsible for maintaining a book-entry-only system for recording the ownership interest of its participants ("Direct Participants") and other institutions that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The Direct Participants and Indirect Participants will be responsible for maintaining records with respect to the beneficial ownership interests of individual purchasers of the Series 2025 Bonds ("Beneficial Owners").

Principal and interest on the Series 2025 Bonds registered in the name of Cede & Co. prior to and at maturity shall be payable directly to Cede & Co. in care of DTC. Disbursal of such amounts to Direct Participants shall be the responsibility of DTC. Payments by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners shall be the responsibility of Direct Participants and Indirect Participants and not of DTC, the Trustee or the Issuer.

Individuals may purchase beneficial interests in Authorized Denominations in book-entry-only form, without certificated Series 2025 Bonds, through Direct Participants and Indirect Participants.

During the period for which Cede & Co. is Registered Owner of the Series 2025 Bonds, any notices to be provided to any Beneficial Owner will be provided to Cede & Co. DTC shall be responsible for notices to Direct Participants and Direct Participants shall be responsible for notices to Indirect Participants, and Direct Participants and Indirect Participants shall be responsible for notices to Beneficial Owners.

The Issuer and the Trustee, if appropriate, shall enter into a blanket letter of representations with DTC providing for such book-entry-only system. Such agreement may be terminated at any time by either DTC or the Issuer in accordance with the procedures of DTC. In the event of such termination, the Issuer shall select another securities depository and in that event, all references herein to DTC or Cede & Co., shall be deemed to be for reference to such successor. If the Issuer does not replace DTC, the Trustee will register and deliver to the Beneficial Owners replacement Series 2025 Bonds in the form of fully registered Series 2025 Bonds in accordance with the instructions from Cede & Co.

In the event DTC, any successor of DTC or the Issuer, but only in accordance with the procedures of DTC, elects to discontinue the book-entry only system, the Trustee shall deliver bond certificates in accordance with the instructions from DTC or its successor and after such time Series 2025 Bonds may be exchanged for an equal aggregate principal amount of Series 2025 Bonds in other Authorized Denominations upon surrender thereof at the designated corporate trust office of the Trustee.

**ARTICLE III  
REDEMPTION OF SERIES 2025 BONDS**

**SECTION 3.01. Redemption Dates and Prices.** The Series 2025 Bonds shall be subject to redemption at the times and in the manner provided in Article VIII of the Master Indenture and in this Article III. All payments of the Redemption Price of the Series 2025 Bonds shall be made on the dates hereinafter required. Except as otherwise provided in this Section 3.01, if less than all the Series 2025 Bonds of a maturity are to be redeemed pursuant to an extraordinary mandatory redemption, the Trustee shall select the Series 2025 Bonds or portions of the Series 2025 Bonds to be redeemed by lot. Partial redemptions of Series 2025 Bonds shall, to the extent possible, be made in such a manner that the remaining Series 2025 Bonds held by each Bondholder shall be in Authorized Denominations, except for the last remaining Series 2025 Bond.

The Series 2025 Bonds are subject to redemption prior to maturity in the amounts, at the times and in the manner provided below. All payments of the Redemption Price of the Series 2025 Bonds shall be made on the dates specified below. Upon any redemption of Series 2025 Bonds other than in accordance with scheduled mandatory sinking fund redemption amounts, the Issuer shall cause to be recalculated and delivered to the Trustee revised mandatory sinking fund redemption amounts recalculated so as to amortize the Outstanding principal amount of Series 2025 Bonds in substantially equal annual installments of principal and interest (subject to rounding to Authorized Denominations of principal) over the remaining term of the Series 2025 Bonds. The mandatory sinking fund redemption amounts as so recalculated shall not result in an increase in the aggregate of the mandatory sinking fund redemption amounts for all Series 2025 Bonds in any year. In the event of a redemption or purchase occurring less than forty-five (45) days prior to a date on which a mandatory sinking fund redemption amount is due, the foregoing recalculation shall not be made to the mandatory sinking fund redemption amounts due in the year in which such redemption or purchase occurs, but shall be made to the mandatory sinking fund redemption amounts for the immediately succeeding and subsequent years.

(a) **Optional Redemption.** The Series 2025 Bonds maturing after May 1, 20\_\_ may, at the option of the Issuer be called for redemption prior to maturity as a whole or in part, at any time, on or after \_\_\_\_\_ 1, 20\_\_ (less than all Series 2025 Bonds of a maturity to be selected by lot), at a Redemption Price equal to the principal amount of Series 2025 Bonds to be redeemed, plus accrued interest from the most recent Interest Payment Date through which interest has been paid to the redemption date from moneys on deposit in the Series 2025 Optional Redemption Subaccount of the Series 2025 Bond Redemption Account. If such optional redemption shall be in part, the Issuer shall select such principal amount of Series 2025 Bonds to be optionally redeemed from each maturity so that debt service on the remaining Outstanding Series 2025 Bonds is substantially level.

(b) **Extraordinary Mandatory Redemption in Whole or in Part.** The Series 2025 Bonds are subject to extraordinary mandatory redemption prior to maturity by the Issuer in whole or in part, on any date (other than in the case of clause (i) below, which extraordinary mandatory redemption in part must occur on a Quarterly Redemption Date), at a Redemption Price equal to 100% of the principal amount of the Series 2025 Bonds to be redeemed, plus interest accrued to the redemption date, as follows:

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(i) from Series 2025 Prepayment Principal deposited into the Series 2025 Prepayment Subaccount of the Series 2025 Bond Redemption Account following the payment in whole or in part of Series 2025 Special Assessments on any assessable property within the District in accordance with the provisions of Section 4.05(a) of this Third Supplemental Trust Indenture, together with any excess moneys transferred by the Trustee from the Series 2025 Reserve Account to the Series 2025 Prepayment Subaccount as a result of such Prepayment and pursuant to Sections 4.01(f) and 4.05(a) of this Third Supplemental Trust Indenture. If such redemption shall be in part, the Issuer shall select such principal amount of Series 2025 Bonds to be redeemed from each maturity so that debt service on the remaining Outstanding Series 2025 Bonds is substantially level.

(ii) from moneys, if any, on deposit in the Funds, Accounts and subaccounts held by the Trustee hereunder (other than the Series 2025 Rebate Fund and the Series 2025 Acquisition and Construction Account) sufficient to pay and redeem all Outstanding Series 2025 Bonds and accrued interest thereon to the redemption date or dates in addition to all amounts owed to Persons under the Master Indenture.

(iii) upon the Completion Date, from any funds remaining on deposit in the Series 2025 Acquisition and Construction Account in accordance with the provisions of Section 4.01(a) hereof, not otherwise reserved to complete the Assessment Area Three Project and transferred to the Series 2025 General Redemption Subaccount of the Series 2025 Bond Redemption Account, together with moneys deposited therein in accordance with the provisions of Section 4.01(a) hereof, as a result of the reduction of the Series 2025 Reserve Requirement. If such redemption shall be in part, the Issuer shall select such principal amount of Series 2025 Bonds to be redeemed from each maturity so that debt service on the remaining Outstanding Series 2025 Bonds is substantially level.

(c) Mandatory Sinking Fund Redemption. The Series 2025 Bonds maturing on May 1, 20\_\_, May 1, 20\_\_ and May 1, 20\_\_ are subject to mandatory sinking fund redemption from the moneys on deposit in the Series 2025 Sinking Fund Account on May 1 in the years and in the mandatory sinking fund redemption amounts set forth in the form of the Series 2025 Bond in Exhibit B.

**SECTION 3.02. Notice of Redemption.** When required to redeem Series 2025 Bonds under any provision of this Third Supplemental Trust Indenture or directed to redeem Series 2025 Bonds by the Issuer, the Trustee shall give or cause to be given to Registered Owners of the Series 2025 Bonds to be redeemed, notice of the redemption, as set forth in Article VIII of the Master Indenture.

[END OF ARTICLE III]

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The Trustee shall make no such transfers from the Series 2025 Acquisition and Construction Account to the Series 2025 General Redemption Subaccount if an Event of Default exists, with respect to the Series 2025 Bonds of which the Trustee has actual notice as described in Section 11.06 of the Master Indenture. Except as provided in Section 3.01(b)(iii) or Section 5.06 hereof, only upon presentment to the Trustee of a properly signed requisition in substantially the form attached hereto as Exhibit C, shall the Trustee withdraw moneys from the Series 2025 Acquisition and Construction Account. Pursuant to the Master Indenture, the Trustee shall establish a separate account within the Acquisition and Construction Fund designated as the "Series 2025 Costs of Issuance Account." Net proceeds of the Series 2025 Bonds shall be deposited into the Series 2025 Costs of Issuance Account in the amount set forth in Section 2.06 of this Third Supplemental Trust Indenture. Upon presentment to the Trustee of a properly signed requisition in substantially the form attached hereto as Exhibit C, the Trustee shall withdraw moneys from the Series 2025 Costs of Issuance Account to pay the costs of issuing the Series 2025 Bonds. Six months after the issuance of the Series 2025 Bonds, any moneys remaining in the Series 2025 Costs of Issuance Account in excess of the amounts requested to be disbursed by the Issuer shall be deposited into the Series 2025 Interest Account and the Series 2025 Costs of Issuance Account shall be closed. Any deficiency in the amount allocated to pay the cost of issuing the Series 2025 Bonds shall be paid from excess Series 2025 Pledged Revenues on deposit in the Series 2025 Revenue Account, as provided in Section 4.02 FIFTH. After no funds remain therein, the Series 2025 Costs of Issuance Account shall be closed.

(b) Pursuant to Section 6.03 of the Master Indenture, the Trustee shall establish a separate Account within the Revenue Fund designated as the "Series 2025 Revenue Account." Series 2025 Special Assessments (except for Prepayments of Series 2025 Special Assessments which shall be identified as such by the Issuer to the Trustee and deposited in the Series 2025 Prepayment Subaccount) shall be deposited by the Trustee into the Series 2025 Revenue Account which shall be applied as set forth in Section 6.03 of the Master Indenture and Section 4.02 of this Third Supplemental Trust Indenture. The Trustee may conclusively rely that unless expressly indicated in writing by the District as a Prepayment upon deposit thereof with the Trustee, payments of Series 2025 Special Assessments otherwise received by the Trustee are to be deposited into the Series 2025 Revenue Account.

(c) [RESERVED].

(d) Pursuant to Section 6.04 of the Master Indenture and Section 4.02 of this Third Supplemental Trust Indenture, the Trustee shall establish a separate Account within the Debt Service Fund designated as the "Series 2025 Interest Account." Moneys deposited into the Series 2025 Interest Account pursuant to Section 6.04 of the Master Indenture and Sections 2.06 and 4.02 of this Third Supplemental Trust Indenture, shall be applied for the purposes provided therein and used to pay interest on the Series 2025 Bonds.

(e) Pursuant to Section 6.04 of the Master Indenture, the Trustee shall establish a separate account within the Debt Service Fund designated as the "Series 2025 Sinking Fund Account." Moneys shall be deposited into the Series 2025 Sinking Fund Account as provided in Section 6.04 of the Master Indenture and Section 4.02 of this Third Supplemental Trust Indenture, and applied for the purposes provided therein and in Section 3.01(c) of this Third Supplemental Trust Indenture.

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#### ARTICLE IV ESTABLISHMENT OF CERTAIN FUNDS AND ACCOUNTS; ADDITIONAL COVENANTS OF THE ISSUER; PREPAYMENTS; REMOVAL OF SERIES 2025 SPECIAL ASSESSMENT LIENS

##### SECTION 4.01. Establishment of Certain Funds and Accounts.

(a) The Trustee shall establish a separate account within the Acquisition and Construction Fund designated as the "Series 2025 Acquisition and Construction Account." Net proceeds of the Series 2025 Bonds shall initially be deposited into the Series 2025 Acquisition and Construction Account in the amount set forth in Section 2.06 of this Third Supplemental Trust Indenture, together with any moneys subsequently transferred or deposited thereto, including moneys transferred from the Series 2025 Reserve Account after satisfaction of either Reserve Release Conditions #1 or Reserve Release Conditions #2, as certified in writing by the District Manager and upon which the Trustee may conclusively rely, and such moneys shall be applied as set forth in this Section 4.01(a), Section 5.01 of the Master Indenture, the Acquisition Agreement and the Engineer's Report. Funds on deposit in the Series 2025 Acquisition and Construction Account shall only be requested by the Issuer to be applied to the Costs of the Assessment Area Three Project, except as otherwise provided below, and subject to Sections 3.01(b)(iii), 4.01(f) and 5.06 herein. Upon satisfaction of Reserve Release Conditions #1 and Reserve Release Conditions #2, the amount on deposit in the Series 2025 Reserve Account in excess of the Series 2025 Reserve Requirement, as calculated by the District shall then be transferred by the Trustee to the Series 2025 Acquisition and Construction Account, as directed in writing to the Trustee by the District Manager, upon consultation with the Consulting Engineer, and applied as provided in this Section 4.01(a).

After the Completion Date for the Assessment Area Three Project, any moneys remaining in the Series 2025 Acquisition and Construction Account (and any excess funds from the Series 2025 Reserve Account) shall be transferred to the Series 2025 General Redemption Subaccount, as directed in writing by the Issuer or the District Manager, on behalf of the Issuer to the Trustee to be applied as provided in Section 3.01(b)(iii). Except as provided in Section 5.06 hereof, only upon presentment to the Trustee of a properly signed requisition in substantially the form attached hereto as Exhibit C, shall the Trustee withdraw moneys from the Series 2025 Acquisition and Construction Account. After no funds remain therein, the Series 2025 Acquisition and Construction Account, such Account shall be closed.

Notwithstanding the foregoing, the Series 2025 Acquisition and Construction Account shall not be closed until the Reserve Release Conditions #2 shall have occurred and the excess funds from the Series 2025 Reserve Account shall have been transferred to the Series 2025 Acquisition and Construction Account, as directed in writing to the Trustee by the District Manager, and applied in accordance with this Section 4.01(a) or as otherwise provided in Section 4.01(f) hereof. If the Series 2025 Acquisition and Construction Account shall remain open after completion of the Assessment Area Three Project, funds on account therein may be applied to payment or reimbursement for payment of other Project Costs. The Trustee shall not be responsible for determining the amounts in the Series 2025 Acquisition and Construction Account allocable to the respective components of the Project, including the Assessment Area Three Project.

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(f) The Trustee shall establish a separate Account within the Reserve Fund designated as the "Series 2025 Reserve Account." Net proceeds of the Series 2025 Bonds shall be deposited into the Series 2025 Reserve Account in the amount set forth in Section 2.06 of this Third Supplemental Trust Indenture, and such moneys, together with any other moneys deposited into the Series 2025 Reserve Account shall be applied for the purposes provided in the Master Indenture and in this Section 4.01(f) and Section 4.05 of this Third Supplemental Trust Indenture. Notwithstanding any provisions in the Master Indenture to the contrary, the Issuer covenants not to substitute the cash and Investment Securities on deposit in the Series 2025 Reserve Account with a Debt Service Reserve Insurance Policy or a Debt Service Reserve Letter of Credit. Except as provided in the next paragraph, all investment earnings on moneys in the Series 2025 Reserve Account shall remain on deposit therein.

On each March 15 and September 15 (or, if such date is not a Business Day, on the Business Day next preceding such day), the Trustee shall determine the amount on deposit in the Series 2025 Reserve Account and transfer any excess therein above the Series 2025 Reserve Requirement resulting from investment earnings to the Series 2025 Revenue Account.

Subject to the provisions of Section 4.05 hereof, on any date the Issuer receives notice from the District Manager that a landowner wishes to prepay its Series 2025 Special Assessments relating to the benefited property of such landowner, or as a result of a mandatory true-up payment, the Issuer shall, or cause the District Manager to, on behalf of the Issuer, calculate the principal amount of such Prepayment taking into account a credit against the amount of Series 2025 Prepayment Principal due by the amount of money in the Series 2025 Reserve Account that will be in excess of the Series 2025 Reserve Requirement for the Series 2025 Bonds, taking into account the proposed Prepayment. Such excess shall be transferred to the Series 2025 Prepayment Subaccount of the Series 2025 Bond Redemption Account, as a result of such Prepayment. The District Manager, on behalf of the Issuer, shall make such calculation within ten (10) Business Days after such Prepayment and shall instruct the Trustee in writing to transfer such amount of credit given to the respective landowner from the Series 2025 Reserve Account to the Series 2025 Prepayment Subaccount of the Series 2025 Bond Redemption Account to be used for the extraordinary mandatory redemption of the Series 2025 Bonds in accordance with Section 3.01(b)(i) hereof. The Trustee is authorized to make such transfers and has no duty to verify such calculations. Notwithstanding any of the foregoing, amounts on deposit in the Series 2025 Reserve Account shall be transferred by the Trustee, in the amounts directed in writing by the Majority Holders of the Series 2025 Bonds to the Series 2025 General Redemption Subaccount, if as a result of the application of Article X of the Master Indenture, the proceeds received from lands sold subject to the Series 2025 Special Assessments and applied to redeem a portion of the Series 2025 Bonds is less than the principal amount of Series 2025 Bonds indebtedness attributable to such lands.

Notwithstanding the foregoing, upon satisfaction of Reserve Release Conditions #1 and Reserve Release Conditions #2, the Trustee shall deposit such excess as directed by the District Manager in writing on deposit in the Series 2025 Reserve Account to the Series 2025 Acquisition and Construction Account and pay such amount as designated in a requisition in the form attached hereto as Exhibit C to the Issuer submitted by the Developer within thirty (30) days of such transfer which requisition shall be executed by the Issuer and the Consulting Engineer. Such payment is authorized notwithstanding that the Completion Date might have been declared; provided, the

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Developer can establish, to the satisfaction of the Consulting Engineer, Costs of the Assessment Area Three Project that were not paid from moneys initially deposited in the Series 2025 Acquisition and Construction Account. In the event that there are no unreimbursed costs to pay to the Developer, such excess moneys transferred from the Series 2025 Reserve Account to the Series 2025 Acquisition and Construction Account shall be deposited into the Series 2025 General Redemption Subaccount of the Series 2025 Bond Redemption Account upon direction to the Trustee by the District. If no completed requisition as provided in this section is submitted to the Trustee within thirty (30) days of moneys having been transferred from the Series 2025 Reserve Account to the Series 2025 Acquisition and Construction Account as a result of the satisfaction of Reserve Release Conditions #1 and Reserve Release Conditions #2, such excess moneys in the Series 2025 Acquisition and Construction Account shall then be transferred by the Trustee to the Series 2025 General Redemption Subaccount and applied to the redemption of Series 2025 Bonds as provided in Section 4.01(a) hereinabove.

In addition, and together with the moneys transferred from the Series 2025 Reserve Account pursuant to this paragraph, if the amount on deposit in the Series 2025 General Redemption Subaccount, is not sufficient to redeem a principal amount of the Series 2025 Bonds in an Authorized Denomination, the Trustee is authorized to withdraw amounts from the Series 2025 Revenue Account to round up the amount in the Series 2025 General Redemption Subaccount to the nearest Authorized Denomination. Notwithstanding the foregoing, no transfers from the Series 2025 Revenue Account shall be made to pay interest on and/or principal of the Series 2025 Bonds for the redemption pursuant to Section 3.01(b)(iii) if as a result the deposits required under Section 4.02 FIRST through FIFTH cannot be made in full.

(g) Pursuant to Section 6.06 of the Master Indenture, the Trustee shall establish a separate Series Bond Redemption Account within the Bond Redemption Fund designated as the "Series 2025 Bond Redemption Account" and within such Account, a "Series 2025 General Redemption Subaccount," a "Series 2025 Optional Redemption Subaccount," and a "Series 2025 Prepayment Subaccount." Except as otherwise provided in this Third Supplemental Trust Indenture regarding Prepayments or in connection with the optional redemption of the Series 2025 Bonds, moneys to be deposited into the Series 2025 Bond Redemption Account as provided in Section 6.06 of the Master Indenture, shall be deposited to the Series 2025 General Redemption Subaccount.

(h) Moneys that are deposited into the Series 2025 General Redemption Subaccount (including all earnings on investments held therein) shall be used to call for the extraordinary mandatory redemption (i) in whole, pursuant to Section 3.01(b)(ii) hereof, the Outstanding amount of Series 2025 Bonds or (ii) in whole or in part pursuant to Section 3.01(b)(iii) hereof.

(i) Moneys in the Series 2025 Prepayment Subaccount (including all earnings on investments held in such Series 2025 Prepayment Subaccount) shall be accumulated therein to be used to call for redemption pursuant to Section 3.01(b)(i) hereof an amount of Series 2025 Bonds equal to the amount of money transferred to the Series 2025 Prepayment Subaccount of the Series 2025 Bond Redemption Account for the purpose of such extraordinary mandatory redemption on the dates and at the price provided in such Section 3.01(b)(i) hereof. In addition, and together with the moneys transferred from the Series 2025 Reserve Account pursuant to paragraph (f) above, if the amount on deposit in the Series 2025 Prepayment Subaccount is not sufficient to redeem a

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amount of a Series 2025 Bond subject to extraordinary mandatory redemption pursuant to Sections 4.01(f) or 4.01(i) hereof to an Authorized Denomination, or unless pursuant to the Arbitrage Certificate, it is necessary to make a deposit into the Series 2025 Rebate Fund, in which case, the Issuer shall direct the Trustee to make such deposit thereto.

In addition to a redemption of Series 2025 Bonds from Prepayments on deposit in the Series 2025 Prepayment Subaccount, the Trustee is further authorized, upon written direction from the Issuer, to transfer from the Series 2025 Revenue Account to the Series 2025 General Redemption Subaccount sufficient funds to cause the redemption of the next closest Authorized Denomination of Series 2025 Bonds, as provided in Section 4.01(i) hereof.

**SECTION 4.03. Power to Issue Series 2025 Bonds and Create Lien.** The Issuer is duly authorized under the Act and all applicable laws of the State to issue the Series 2025 Bonds, to execute and deliver the Series 2025 Indenture and to pledge the Series 2025 Pledged Revenues for the benefit of the Series 2025 Bonds to the extent set forth herein. The Series 2025 Pledged Revenues are not and shall not be subject to any other lien senior to or on a parity with the lien created in favor of the Series 2025 Bonds, except as otherwise permitted under the Master Indenture and Section 5.04 hereof. The Series 2025 Bonds and the provisions of the Series 2025 Indenture are and will be valid and legally enforceable obligations of the Issuer in accordance with their respective terms. The Issuer shall, at all times, to the extent permitted by law, defend, preserve and protect the pledge created by the Series 2025 Indenture and all the rights of the Holders of the Series 2025 Bonds under the Series 2025 Indenture against all claims and demands of all persons whomsoever.

**SECTION 4.04. Assessment Area Three Project to Conform to Engineer's Report.** Simultaneously with the issuance of the Series 2025 Bonds, the Issuer will promptly proceed to construct and/or acquire the Assessment Area Three Project, as described in Exhibit A hereto and in the Engineer's Report relating thereto, all pursuant to the terms and provisions of the Acquisition Agreement.

**SECTION 4.05. Prepayments; Removal of Series 2025 Special Assessment Liens.**

(a) At any time any owner of property subject to the Series 2025 Special Assessments may, at its option, or as a result of acceleration of the Series 2025 Special Assessments because of non-payment thereof or because of an obligation to make a true-up payment pursuant to the True-Up Agreement, shall, or by operation of law, require the Issuer to reduce or release and extinguish the lien upon its property by virtue of the levy of the Series 2025 Special Assessments by paying or causing there to be paid, to the Issuer all or a portion of the Series 2025 Special Assessment, which shall constitute Series 2025 Prepayment Principal, plus, except as provided below, accrued interest to the next succeeding Quarterly Redemption Date (or the first succeeding Quarterly Redemption Date that is at least forty-five (45) days after such Prepayment, if such Prepayment is made within forty-five (45) calendar days before the next succeeding Quarterly Redemption Date, as the case may be), attributable to the property subject to Series 2025 Special Assessments owned by such owner. To the extent that such Prepayments are to be used to redeem Series 2025 Bonds pursuant to Section 3.01(b)(i) hereof, in the event the amount on deposit in the Series 2025 Reserve Account will exceed the Series 2025 Reserve Requirement for the Series 2025 Bonds as a result of a Prepayment in accordance with this Section 4.05(a) and the resulting extraordinary mandatory

principal amount of the Series 2025 Bonds in an Authorized Denomination, the Trustee upon written direction from the Issuer, shall be authorized to withdraw amounts from the Series 2025 Revenue Account to deposit to the Series 2025 Prepayment Subaccount to round-up the amount to the nearest Authorized Denomination. Notwithstanding the foregoing, no transfers from the Series 2025 Revenue Account shall be directed by the Issuer to pay interest on and/or principal of the Series 2025 Bonds for the redemption pursuant to Section 3.01(b)(i) if as a result the deposits required under Section 4.02 FIRST through FIFTH cannot be made in full.

(j) The Issuer hereby directs the Trustee to establish a separate account in the Rebate Fund designated as the "Series 2025 Rebate Account." Moneys shall be deposited into the Series 2025 Rebate Account, as provided in the Arbitrage Certificate and applied for the purposes provided therein.

(k) Moneys on deposit in the Series 2025 Optional Redemption Subaccount shall be used to optionally redeem all or a portion of the Series 2025 Bonds pursuant to Section 3.01(a) hereof.

**SECTION 4.02. Series 2025 Revenue Account.** The Trustee shall transfer from amounts on deposit in the Series 2025 Revenue Account to the Funds and Accounts designated below, the following amounts, at the following times and in the following order of priority:

FIRST, upon receipt but no later than the Business Day next preceding each Interest Payment Date, commencing November 1, 2025, to the Series 2025 Interest Account of the Debt Service Fund, an amount equal to the interest on the Series 2025 Bonds becoming due on the next succeeding Interest Payment Date, less any amount on deposit in the Series 2025 Interest Account not previously credited;

SECOND, no later than the Business Day next preceding each May 1, commencing May 1, 2026, to the Series 2025 Sinking Fund Account, an amount equal to the principal amount of Series 2025 Bonds subject to sinking fund redemption on such May 1, less any amount on deposit in the Series 2025 Sinking Fund Account not previously credited;

THIRD, upon receipt but no later than the Business Day next preceding each Interest Payment Date while Series 2025 Bonds remain Outstanding, to the Series 2025 Reserve Account, an amount equal to the amount, if any, which is necessary to make the amount on deposit therein equal to the Reserve Requirement for the Series 2025 Bonds;

FOURTH, notwithstanding the foregoing, at any time the Series 2025 Bonds are subject to redemption on a date which is not a May 1 or November 1 Interest Payment Date, the Trustee shall be authorized to transfer to the Series 2025 Interest Account, the amount necessary to pay interest on the Series 2025 Bonds subject to redemption on such date; and

FIFTH, subject to the foregoing paragraphs, the balance of any moneys remaining after making the foregoing deposits shall be first deposited into the Series 2025 Costs of Issuance Account upon the written request of the Issuer to cover any deficiencies in the amount allocated to pay the cost of issuing the Series 2025 Bonds and next, any balance in the Series 2025 Revenue Account shall remain on deposit in such Series 2025 Revenue Account, unless needed to be transferred to the Series 2025 Prepayment Subaccount for the purposes of rounding the principal

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redemption in accordance with Section 3.01(b)(i) of this Third Supplemental Trust Indenture of Series 2025 Bonds, the excess amount shall be transferred from the Series 2025 Reserve Account to the Series 2025 Prepayment Subaccount, as a credit against the Series 2025 Prepayment Principal otherwise required to be paid by the owner of such lot or parcel, upon written instructions of the Issuer to the Trustee together with a certificate of a Responsible Officer of the Issuer, upon which the Trustee may conclusively rely, stating that, after giving effect to such transfers sufficient moneys will be on deposit in the Series 2025 Reserve Account to equal or exceed the Series 2025 Reserve Requirement.

(b) Upon receipt of Series 2025 Prepayment Principal as described in paragraph (a) above, subject to satisfaction of the conditions set forth therein, the Issuer shall immediately pay the amount so received to the Trustee, and the Issuer shall take such action as is necessary to record in the official improvement lien book of the District that the Series 2025 Special Assessment has been paid in whole or in part and that such Series 2025 Special Assessment lien is thereby reduced, or released and extinguished, as the case may be.

(c) If any property shall be offered for sale for the nonpayment of any Series 2025 Special Assessment and no person or persons shall purchase such property for an amount equal to the full amount due on the Series 2025 Special Assessments (principal, interest, penalties and costs, plus attorneys' fees, if any), the property may then be purchased by the Issuer for an amount equal to the balance due on the Series 2025 Special Assessments (principal, interest, penalties and costs, plus attorneys' fees, if any), from any legally available funds of the Issuer and the Issuer shall receive in its corporate name or in the name of a special purpose entity title to the property for the benefit of the Beneficial Owners of the Series 2025 Bonds. The Issuer, either through its own actions, or actions caused to be taken through the Trustee, shall have the power and shall lease or sell such property, and deposit all of the net proceeds of any such lease or sale into the Series 2025 Revenue Account. The Issuer, 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 sale of property acquired by it as trustee for the Beneficial Owners of the Series 2025 Bonds within sixty (60) days after the receipt of the request therefor signed by the Trustee or the Majority Holder.

The Trustee may conclusively rely on the Issuer's determination of what moneys constitute Prepayments. The Trustee shall calculate the amount available for the extraordinary mandatory redemption of the applicable Series 2025 Bonds pursuant to Section 3.01(b)(i) forty-five (45) days prior to each Quarterly Redemption Date.

[END OF ARTICLE IV]



**ARTICLE V  
COVENANTS AND DESIGNATIONS OF THE ISSUER**

**SECTION 5.01.** Collection of Series 2025 Special Assessments. The Series 2025 Special Assessments levied for each full year on platted lots shall be collected pursuant to the uniform method provided for in Sections 197.3632 and 197.3635 Florida Statutes, (the "Uniform Method") unless the District determines that it is in its best interests to collect directly. The Series 2025 Special Assessments levied on unplatted lots or lands shall be billed and collected directly by the District pursuant to the Act and Chapters 170 and 197, Florida Statutes, and not pursuant to the Uniform Method unless the District determines that it is in its best interests to do so. Prior to an Event of Default, the election to collect and enforce Series 2025 Special Assessments in any year pursuant to any one method shall not, to the extent permitted by law, preclude the District from electing to collect and enforce Series 2025 Special Assessments pursuant to any other method permitted by law in any subsequent year. Following an Event of Default, Series 2025 Special Assessments levied on platted lots shall be collected pursuant to the Uniform Method and Series 2025 Special Assessments levied on unplatted lots or lands shall be billed and 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 the Trustee, acting at the direction of the Majority Holders of the Series 2025 Bonds Outstanding, provides written consent/direction to a different method of collection. All Series 2025 Special Assessments that are billed and collected directly by the District and not via the Uniform Method shall be due and payable by the landowner no later than thirty (30) days prior to each Interest Payment Date; provided, however, that such Series 2025 Special Assessments shall not be deemed to be delinquent unless and until they are not paid by the applicable Interest Payment Date with respect to which they have been billed. The assessment methodology shall not be materially amended without the written consent of the Majority Holders, which consent shall not be unreasonably withheld, delayed or conditioned in the absence of an Event of Default, or as required by a court of competent jurisdiction. Amendments to the assessment methodology to assign equivalent residential units to new product types shall not constitute a material amendment.

Notwithstanding any other provision in the Master Indenture to the contrary, upon the occurrence of an Event of Default, if the Trustee, acting at the direction of the Majority Holder of the Series 2025 Bonds, requests that the Issuer not use the Uniform Method to collect the Series 2025 Special Assessments levied by the Issuer for the purpose of paying the Debt Service Requirements of the Series 2025 Bonds, but instead collect and enforce the Series 2025 Special Assessments levied by the Issuer for the purpose of paying the Debt Service Requirements on the Series 2025 Bonds pursuant to another available method under the Act, Chapter 170, Florida Statutes, or Chapter 197, Florida Statutes, or any successor statutes thereto, then the Issuer shall collect and enforce said Series 2025 Special Assessments in the manner and pursuant to the method so requested by the Trustee. Any Series 2025 Special Assessments that are not collected pursuant to the Uniform Method shall be billed directly to the applicable Developer and be payable not later than thirty (30) days prior to each Interest Payment Date.

**SECTION 5.02.** Continuing Disclosure. Contemporaneously with the execution and delivery hereof, each of the Issuer and the Developer has executed and delivered a Continuing Disclosure Agreement in order to assist the Underwriter in complying with the requirements of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934. The Issuer covenants and

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also authorized to utilize the Series 2025 Pledged Revenues to pay fees and expenses as provided in Section 10.11 of the Master Indenture.

[END OF ARTICLE V]

agrees to comply with the provisions of the Continuing Disclosure Agreement applicable to it; however, as set forth therein, failure to so comply shall not constitute an Event of Default hereunder, but shall instead be enforceable by mandamus or any other means of specific performance.

**SECTION 5.03.** Investment of Funds and Accounts. The provisions of Section 7.02 of the Master Indenture shall apply to the investment and reinvestment of moneys in the Funds, Accounts and subaccounts therein created hereunder.

**SECTION 5.04.** Additional Obligations. The District covenants not to issue any other Bonds or other debt obligations secured by the Series 2025 Special Assessments. In addition, the Issuer covenants not to issue any other Bonds or debt obligations for capital projects, secured by Special Assessments on the assessable lands within the District that are subject to the Series 2025 Special Assessments, until the Series 2025 Special Assessments are Substantially Absorbed. The District shall present the Trustee with a certification that the Series 2025 Special Assessments are Substantially Absorbed and the Trustee may rely conclusively upon such certification and shall have no duty to verify if the Series 2025 Special Assessments are Substantially Absorbed. In the absence of such written certification, the Trustee is entitled to assume that the Series 2025 Special Assessments have not been Substantially Absorbed.

Notwithstanding any of the foregoing, the District shall not be precluded from issuing other Bonds or debt obligations for capital projects secured by Special Assessments, or imposing Special Assessments or non-ad valorem assessments on lands within the District for the health, safety, and welfare of the District's residents or for purposes of remediating any natural disaster, catastrophic damage, or failure that has occurred with respect to any capital project or any component thereof.

**SECTION 5.05.** Requisite Owners for Direction or Consent. Anything in the Master Indenture to the contrary notwithstanding, any direction or consent or similar provision which requires greater than fifty percent of the Owners, shall in each case be deemed to refer to, and shall mean, the Majority Holders.

**SECTION 5.06.** Acknowledgement Regarding the Moneys in the Series 2025 Acquisition and Construction Account Following an Event of Default. In accordance with the provisions of the Series 2025 Indenture, the Series 2025 Bonds are payable solely from the Series 2025 Pledged Revenues and any other moneys held by the Trustee under the Series 2025 Indenture for such purpose. Anything in the Series 2025 Indenture to the contrary notwithstanding, the Issuer hereby acknowledges that the Series 2025 Pledged Revenues include, without limitation, all amounts on deposit in the Series 2025 Acquisition and Construction Account of the Acquisition and Construction Fund then held by the Trustee, and that upon the occurrence of an Event of Default with respect to the Series 2025 Bonds, (i) the Series 2025 Pledged Revenues may not be used by the Issuer (whether to pay costs of the Assessment Area Three Project or otherwise) without the consent of the Majority Holders unless pursuant to an existing contract with a contractor unaffiliated with the developer and the Developer and (ii) the Series 2025 Pledged Revenues may be used by the Trustee, at the direction or with the approval of the Majority Holders, to pay costs and expenses incurred in connection with the pursuit of remedies under the Series 2025 Indenture; provided, however, notwithstanding anything herein to the contrary the Trustee is

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**ARTICLE VI  
THE TRUSTEE; THE PAYING AGENT AND REGISTRAR**

**SECTION 6.01.** Acceptance of Trust. The Trustee accepts and agrees to execute the trusts hereby created and agrees to perform such trusts upon the terms and conditions set forth in the Series 2025 Indenture. The Trustee agrees to act as Paying Agent, Registrar and Authenticating Agent for the Series 2025 Bonds.

**SECTION 6.02.** Trustee's Duties. The Trustee shall not be responsible in any manner for the due execution of this Third Supplemental Trust Indenture by the Issuer or for the recitals contained herein (except for the certificate of authentication on the Series 2025 Bonds), all of which are made solely by the Issuer. Nothing contained herein shall limit the rights, benefits, privileges, protection and entitlement inuring to the Trustee under the Master Indenture.

[END OF ARTICLE VI]

**ARTICLE VII  
MISCELLANEOUS PROVISIONS**

**SECTION 7.01.** Interpretation of Third Supplemental Trust Indenture. This Third Supplemental Trust Indenture amends and supplements the Master Indenture with respect to the Series 2025 Bonds, and all of the provisions of the Master Indenture, to the extent not inconsistent herewith, are incorporated in this Third Supplemental Trust Indenture by reference. To the maximum extent possible, the Master Indenture and the Third Supplemental Trust Indenture shall be read and construed as one document.

**SECTION 7.02.** Additional Matters Relating to Events of Default. In addition to the events above set forth in Section 10.02 of the Master Indenture, each of the following events shall be an Event of Default with respect to the Series 2025 Bonds, notwithstanding anything to the contrary in the Master Indenture:

(a) any portion of the Series 2025 Special Assessments pledged to the Series 2025 Bonds shall have become delinquent Series 2025 Special Assessments and, as the result thereof, the Indenture authorizes the Trustee to withdraw funds in an amount greater than twenty-five percent (25%) of the amount on deposit in 2025 Reserve Account to pay the Debt Service Requirements on the Series 2025 Bonds (regardless of whether the Trustee does or does not actually withdraw such funds from the Series 2025 Reserve Account to pay the Debt Service Requirements on the Series 2025 Bonds) (the foregoing being referred to as a "2025 Reserve Account Event") unless within ninety (90) days from the Series 2025 Reserve Account Event the District has either (i) replenished the amounts, if any, withdrawn from the Series 2025 Reserve Account or (ii) the portion of the delinquent Series 2025 Special Assessments giving rise to the Series 2025 Reserve Account Event are paid and are no longer delinquent; and

(b) more than fifty percent (50%) of the operation and maintenance assessments that are directly billed by the District and levied by the District on tax parcels subject to the Series 2025 Special Assessments are not paid by the date such are due and payable and such default continues for sixty (60) days after the date when due. The District shall give written notice to the Trustee of the occurrence of the event set forth in this paragraph (b) not later than 10 days after the end of the sixty day period referred to in the preceding sentence. The Trustee shall not be deemed to have knowledge of the occurrence of such an Event of Default absent notice thereof from the District.

**SECTION 7.03.** Amendments. Any amendments to this Third Supplemental Trust Indenture shall be made pursuant to the provisions for amendment contained in the Master Indenture.

**SECTION 7.04.** Counterparts. This Third Supplemental Trust Indenture may be executed in any number of counterparts, each of which when so executed and delivered shall be an original; but such counterparts shall together constitute but one and the same instrument.

**SECTION 7.05.** Appendices and Exhibits. Any and all schedules, appendices or exhibits referred to in and attached to this Third Supplemental Trust Indenture are hereby incorporated herein and made a part of this Third Supplemental Trust Indenture for all purposes.

**SECTION 7.06.** Payment Dates. In any case in which an Interest Payment Date or the maturity date of the Series 2025 Bonds or the date fixed for the redemption of any Series 2025 Bonds shall be other than a Business Day, then payment of interest, principal or Redemption Price need not be made on such date but may be made on the next succeeding Business Day, with the same force and effect as if made on the due date, and no interest on such payment shall accrue for the period after such due date if payment is made on such next succeeding Business Day.

**SECTION 7.07.** No Rights Conferred on Others. Nothing herein contained shall confer any right upon any Person other than the parties hereto and the Holders of the Series 2025 Bonds, and no other person is intended to be a third-party beneficiary hereof to be entitled to assert or preserve any claim hereunder.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK – SIGNATURE PAGE FOLLOWS]

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**IN WITNESS WHEREOF,** Edgewater East Community Development District has caused this Third Supplemental Trust Indenture to be executed by the Chair of its Board of Supervisors and its corporate seal to be hereunto affixed and attested by the Secretary of its Board of Supervisors and U.S. Bank Trust Company, National Association has caused this Third Supplemental Trust Indenture to be executed by one of its authorized signatories, all as of the day and year first above written.

[SEAL]

Attest:

**EDGEWATER EAST COMMUNITY  
DEVELOPMENT DISTRICT**

By: \_\_\_\_\_  
Name: Noah Breakstone  
Title: Chair, Board of Supervisors

By: \_\_\_\_\_  
Name: Craig Wrathell  
Title: Secretary, Board of Supervisors

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

By: \_\_\_\_\_  
Name: Amanda Kumar  
Title: Vice President

**EXHIBIT A  
DESCRIPTION OF ASSESSMENT AREA THREE PROJECT**

The Assessment Area Three Project includes, but is not limited to the following public infrastructure described in the Supplemental Engineer's Report for Assessment Area 3 (ED-6S) for the Edgewater East Community Development District, dated January 9, 2025, prepared by Hanson, Walter & Associates, Inc.:

Assessment Area 3 Project Description	Estimated Costs <sup>(6)</sup>
Roadways (includes traffic signal and box culvert) <sup>(2,4)</sup>	\$ 7,000,000
Right of Way Acquisition	500,000
Stormwater Management	2,800,000
Utilities (Water, Sewer, Reclaim) <sup>(4)</sup>	2,800,000
Hardscape/Landscape/Irrigation/Trails <sup>(4)</sup>	3,200,000
Undergrounding of Conduit <sup>(3,4)</sup>	2,200,000
Environmental Conservation/Mitigation	800,000
Professional Services <sup>(4)</sup>	2,400,000
Contingency (10%) <sup>(4)</sup>	2,170,000
<b>Total</b>	<b>\$23,870,000</b>

1. Infrastructure consist of public Roadway Improvements, Stormwater management facilities, master sanitary sewer lift station and utilities, water utilities, entry feature, landscaping and signage, wetland mitigation, and public neighborhood parks, all of which will be located on land owned by or subject to a permanent easement in favor of the District or another governmental agency.
2. Includes subgrade, base, asphalt paving, curbing, traffic control, street signage, striping and civil/site engineering.
3. Costs shown only include the incremental cost of undergrounding and do not include the costs of the streetlights.
4. The costs associated with the infrastructure are a master cost and are effectively shared by the entire project (All Phases).
5. Estimates are based on 2024 costs.

Please note that estimated individual element totals may vary and are only to establish a Total Estimated Costs of Improvements. The costs estimated herein do not include anticipated carrying costs, interest reserves, or other anticipated District expenditures that may be incurred.

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EXHIBIT B

[FORM OF SERIES 2025 BOND]

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\$ \_\_\_\_\_

UNITED STATES OF AMERICA  
STATE OF FLORIDA  
EDGEWATER EAST COMMUNITY DEVELOPMENT DISTRICT  
SPECIAL ASSESSMENT REVENUE BOND, SERIES 2025  
(ASSESSMENT ARE THREE)

Interest Rate	Maturity Date	Date of Original Issuance	CUSIP
_____%	May 1, 20__	_____, 2025	_____

Registered Owner: CEDE & CO.

Principal Amount:

KNOW ALL PERSONS BY THESE PRESENTS that the Edgewater East Community Development District (the "Issuer"), for value received, hereby promises to pay to the Registered Owner shown above or registered assigns, on the Maturity Date set forth above, from the sources hereinafter mentioned, the principal amount set forth above (with interest thereon at the interest rate per annum set forth above, computed on 360-day year of twelve 30-day months), said principal payable on the Maturity Date set forth above. Principal of and interest on this Bond are payable by U.S. Bank Trust Company, National Association, in Fort Lauderdale, Florida, as paying agent (said U.S. Bank Trust Company, National Association and/or any bank or trust company to become successor paying agent being herein called the "Paying Agent"), made payable to the Registered Owner and mailed on each Interest Payment Date commencing November 1, 2025 to the address of the Registered Owner as such name and address shall appear on the registry books of the Issuer maintained by U.S. Bank Trust Company, National Association, as Registrar (said U.S. Bank Trust Company, National Association and any successor Registrar being herein called the "Registrar") at the close of business on the fifteenth day of the calendar month preceding each Interest Payment Date or the date on which the principal of a Bond is to be paid (the "Record Date"), provided however presentation is not required for payment while the Series 2025 Bonds are registered in book-entry only form. Such interest shall be payable from the most recent Interest Payment Date next preceding the date of authentication hereof to which interest has been paid, unless the date of authentication hereof is a May 1 or November 1 to which interest has been paid, in which case from the date of authentication hereof, or unless such date of authentication is prior to November 1, 2025, in which case from the date of initial delivery, or unless the date of authentication hereof is between a Record Date and the next succeeding Interest Payment Date, in which case from such Interest Payment Date. Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the Registered Owner on such Record Date and may be paid to the person in whose name this Bond is registered at the close of business on a Special Record Date for the payment of such defaulted interest to be fixed by the Paying Agent, notice whereof shall be given to Bondholders of record as of the fifth (5th) day prior to such mailing, at their registered

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the Reserve Fund and other Funds and Accounts (each as defined in the Series 2025 Indenture) charged with and pledged to the payment of the principal of and the interest on the Series 2025 Bonds, the levy and the evidencing and certifying for collection, of the Series 2025 Special Assessments, the nature and extent of the security for the Series 2025 Bonds, the terms and conditions on which the Series 2025 Bonds are issued, the rights, duties and obligations of the Issuer and of the Trustee under the Series 2025 Indenture, the conditions under which such Series 2025 Indenture may be amended without the consent of the Registered Owners of the Series 2025 Bonds, the conditions under which such Series 2025 Indenture may be amended with the consent of the Registered Owners of a majority in aggregate principal amount of the Series 2025 Bonds outstanding, and as to other rights and remedies of the Registered Owners of the Series 2025 Bonds.

The owner of this Bond shall have no right to enforce the provisions of the Series 2025 Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Series 2025 Indenture or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Series 2025 Indenture.

It is expressly agreed by the Registered Owner of this Bond that such Registered Owner shall never have the right to require or compel the exercise of the ad valorem taxing power of the Issuer, the County, the City, the State or any other political subdivision thereof, or taxation in any form of any real or personal property of the Issuer, the County, the City, the State or any other political subdivision thereof, for the payment of the principal of and interest on this Bond or the making of any other sinking fund and other payments provided for in the Series 2025 Indenture, except for Series 2025 Special Assessments to be assessed and levied by the Issuer as set forth in the Series 2025 Indenture.

By the acceptance of this Bond, the Registered Owner hereof assents to all the provisions of the Series 2025 Indenture.

This Bond is payable from and secured by Series 2025 Pledged Revenues, as such term is defined in the Series 2025 Indenture, all in the manner provided in the Series 2025 Indenture. The Series 2025 Indenture provides for the levy and the evidencing and certifying, of non-ad valorem assessments in the form of Series 2025 Special Assessments to secure and pay the Series 2025 Bonds.

The Series 2025 Bonds are subject to redemption prior to maturity in the amounts, at the times and in the manner provided below. All payments of the redemption price of the Series 2025 Bonds shall be made on the dates specified below. Upon any redemption of Series 2025 Bonds other than in accordance with scheduled mandatory sinking fund redemption amounts, the Issuer shall cause to be recalculated and delivered to the Trustee revised mandatory sinking fund redemption amounts recalculated so as to amortize the Outstanding principal amount of Series 2025 Bonds in substantially equal annual installments of principal and interest (subject to rounding to Authorized Denominations of principal) over the remaining term of the Series 2025 Bonds. The mandatory sinking fund redemption amounts as so recalculated shall not result in an increase in the aggregate of the mandatory sinking fund redemption amounts for all Series 2025 Bonds in any year. In the event of a redemption or purchase occurring less than forty-five (45) days prior to a date on which a mandatory sinking fund redemption amount is due, the foregoing recalculation

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addresses, not less than ten (10) days prior to such Special Record Date, or may be paid, at any time in any other lawful manner, as more fully provided in the Series 2025 Indenture (defined below). Any capitalized term used in this Bond and not otherwise defined shall have the meaning ascribed to such term in the Series 2025 Indenture.

THE SERIES 2025 BONDS ARE LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY OUT OF THE SERIES 2025 PLEDGED REVENUES PLEDGED THEREFOR UNDER THE SERIES 2025 INDENTURE AND NEITHER THE PROPERTY, THE FULL FAITH AND CREDIT, NOR THE TAXING POWER OF THE ISSUER, OSCEOLA COUNTY, FLORIDA (THE "COUNTY"), THE CITY OF ST. CLOUD, FLORIDA (THE "CITY"), THE STATE OF FLORIDA (THE "STATE"), OR ANY OTHER POLITICAL SUBDIVISION THEREOF, IS PLEDGED AS SECURITY FOR THE PAYMENT OF THE SERIES 2025 BONDS, EXCEPT THAT THE ISSUER IS OBLIGATED UNDER THE SERIES 2025 INDENTURE TO LEVY AND TO EVIDENCE AND CERTIFY, OR CAUSE TO BE CERTIFIED, FOR COLLECTION, SERIES 2025 SPECIAL ASSESSMENTS (AS DEFINED IN THE THIRD SUPPLEMENTAL TRUST INDENTURE) TO SECURE AND PAY THE SERIES 2025 BONDS. THE SERIES 2025 BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE ISSUER, THE COUNTY, THE CITY, THE STATE, OR ANY OTHER POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION.

This Bond is one of an authorized issue of Series 2025 Bonds of the Edgewater East Community Development District, a community development district duly created, organized and existing under Chapter 190, Florida Statutes (the Uniform Community Development District Act of 1980), as amended (the "Act"), Ordinance No. 2020-49 enacted by the Board of County Commissioners of Osceola County, Florida on June 15, 2020 and effective on June 16, 2020, as amended by Ordinance No. 2020-66, Ordinance No. 2021-86, and Ordinance No. 2023-15, enacted by the Board of County Commissioners of Osceola County, Florida on September 21, 2020, December 13, 2021 and December 18, 2023, respectively, and effective on September 23, 2020, December 16, 2021 and December 27, 2023, respectively, designated as "Edgewater East Community Development District Special Assessment Revenue Bonds, Series 2025 (Assessment Area Three)" (the "Series 2025 Bonds"), in the aggregate principal amount of \_\_\_\_\_ and 00/100 Dollars (\$ \_\_\_\_\_) of like date, tenor and effect, except as to number. The Series 2025 Bonds are being issued under authority of the laws and Constitution of the State, including particularly the Act, to pay, among other things, the costs of constructing and/or acquiring the Assessment Area Three Project (as defined in the herein referred to Series 2025 Indenture). The Series 2025 Bonds shall be issued as fully registered Series 2025 Bonds in Authorized Denominations, as set forth in the Series 2025 Indenture. The Series 2025 Bonds are issued under and secured by a Master Trust Indenture dated as of March 1, 2021 (the "Master Indenture"), as supplemented by a Third Supplemental Trust Indenture dated as of \_\_\_\_\_, 2025 (the "Third Supplemental Trust Indenture" and together with the Master Indenture, the "Series 2025 Indenture"), each by and between the Issuer and the Trustee, executed counterparts of which are on file at the designated corporate trust office of the Trustee in Fort Lauderdale, Florida.

Reference is hereby made to the Series 2025 Indenture for the provisions, among others, with respect to the custody and application of the proceeds of the Series 2025 Bonds issued under the Series 2025 Indenture, the operation and application of the Series 2025 Reserve Account within

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shall not be made to the mandatory sinking fund redemption amounts due in the year in which such redemption or purchase occurs, but shall be made to the mandatory sinking fund redemption amounts for the immediately succeeding and subsequent years.

Optional Redemption

The Series 2025 Bonds maturing after May 1, 20\_\_ may, at the option of the Issuer be called for redemption prior to maturity as a whole or in part, at any time, on or after \_\_\_\_\_, 20\_\_ (less than all Series 2025 Bonds of a maturity to be selected by lot), at a Redemption Price equal to the principal amount of Series 2025 Bonds to be redeemed, plus accrued interest from the most recent Interest Payment Date through which interest has been paid to the redemption date from moneys on deposit in the Series 2025 Optional Redemption Subaccount of the Series 2025 Bond Redemption Account. If such optional redemption shall be in part, the Issuer shall select such principal amount of Series 2025 Bonds to be optionally redeemed from each maturity so that debt service on the remaining Outstanding Series 2025 Bonds is substantially level.

Extraordinary Mandatory Redemption in Whole or in Part

The Series 2025 Bonds are subject to extraordinary mandatory redemption prior to maturity by the Issuer in whole or in part, on any date (other than in the case of clause (i) below, which extraordinary mandatory redemption in part must occur on a Quarterly Redemption Date), at a Redemption Price equal to 100% of the principal amount of the Series 2025 Bonds to be redeemed, plus interest accrued to the redemption date, as follows:

(i) from Series 2025 Prepayment Principal deposited into the Series 2025 Prepayment Subaccount of the Series 2025 Bond Redemption Account following the payment in whole or in part of Series 2025 Special Assessments on any assessable property within the Assessment Area Three within the District in accordance with the provisions of Section 4.05(a) of the Third Supplemental Trust Indenture, together with any excess moneys transferred by the Trustee from the Series 2025 Reserve Account to the Series 2025 Prepayment Subaccount as a result of such Prepayment and pursuant to Sections 4.01(f) and 4.05(a) of the Third Supplemental Trust Indenture. If such redemption shall be in part, the Issuer shall select such principal amount of Series 2025 Bonds to be redeemed from each maturity so that debt service on the remaining Outstanding Series 2025 Bonds is substantially level.

(ii) from moneys, if any, on deposit in the Funds, Accounts and subaccounts held by the Trustee under the Third Supplemental Trust Indenture (other than the Series 2025 Rebate Fund and the Series 2025 Acquisition and Construction Account) sufficient to pay and redeem all Outstanding Series 2025 Bonds and accrued interest thereon to the redemption date or dates in addition to all amounts owed to Persons under the Master Indenture.

(iii) upon the Completion Date, from any funds remaining on deposit in the Series 2025 Acquisition and Construction Account in accordance with the provisions of the Third Supplemental Trust Indenture, not otherwise reserved to complete the Assessment Area Three Project and transferred to the Series 2025 General Redemption Subaccount of the Series 2025 Bond Redemption Account, together with moneys deposited therein in accordance with the provisions of the Third Supplemental Trust Indenture, as a result of the reduction of the Series

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2025 Reserve Requirement. If such redemption shall be in part, the Issuer shall select such principal amount of Series 2025 Bonds to be redeemed from each maturity so that debt service on the remaining Outstanding Series 2025 Bonds is substantially level.

Mandatory Sinking Fund Redemption

The Series 2025 Bonds maturing on May 1, 20\_\_ are subject to mandatory sinking fund redemption from the moneys on deposit in the Series 2025 Sinking Fund Account on May 1 in the years and in the mandatory sinking fund redemption amounts set forth below at a Redemption Price of 100% of their principal amount plus accrued interest to the date of redemption.

Mandatory Sinking Fund Redemption		Mandatory Sinking Fund Redemption	
Year	Amount	Year	Amount

\* Maturity

The Series 2025 Bonds maturing on May 1, 20\_\_ are subject to mandatory sinking fund redemption from the moneys on deposit in the Series 2025 Sinking Fund Account on May 1 in the years and in the mandatory sinking fund redemption amounts set forth below at a Redemption Price of 100% of their principal amount plus accrued interest to the date of redemption.

Mandatory Sinking Fund Redemption		Mandatory Sinking Fund Redemption	
Year	Amount	Year	Amount

\* Maturity

The Series 2025 Bonds maturing on May 1, 20\_\_ are subject to mandatory sinking fund redemption from the moneys on deposit in the Series 2025 Sinking Fund Account on May 1 in the years and in the mandatory sinking fund redemption amounts set forth below at a Redemption Price of 100% of their principal amount plus accrued interest to the date of redemption.

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Indenture may become and may be declared due and payable before the stated maturity thereof, with the interest accrued thereon.

Modifications or alterations of the Series 2025 Indenture or of any Series 2025 Indenture supplemental thereto may be made only to the extent and in the circumstances permitted by the Series 2025 Indenture.

Any moneys held by the Trustee or 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 shall be paid to the Issuer, thereupon and thereafter no claimant shall have any rights against the Trustee or Paying Agent to or in respect of such moneys.

If the Issuer deposits or causes to be deposited with the Trustee funds or Government Obligations (as defined in the Master Indenture) sufficient to pay the principal or Redemption Price of any Series 2025 Bond becoming due at maturity or by call for redemption in the manner set forth in the Series 2025 Indenture, together with the interest accrued to the due date, or date of redemption, as applicable, the lien of such Series 2025 Bonds as to the Trust Estate with respect to the Series 2025 Bonds shall be discharged, except for the rights of the Registered Owners thereof with respect to the funds so deposited as provided in the Series 2025 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.

This Bond shall initially be issued in the name of Cede & Co. as nominee for DTC, and so long as this Bond is held in book-entry-only form Cede & Co. shall be considered the Registered Owner for all purposes hereof, including the payment of the principal of and interest on this Bond. Payment to Direct Participants shall be the responsibility of DTC. Payments by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to individual Beneficial Owners shall be the responsibility of Direct Participants and Indirect Participants and not of DTC, the Issuer or the Trustee.

The Issuer shall keep books for the registration of the Series 2025 Bonds at the designated corporate trust office of the Registrar in Fort Lauderdale, Florida. Subject to the restrictions contained in the Series 2025 Indenture, and except when the Series 2025 Bonds are registered in book-entry-only form, the Series 2025 Bonds may be transferred or exchanged by the Registered Owner thereof in person or by his attorney duly authorized in writing only upon the books of the Issuer kept by the Registrar and only upon surrender thereof together with a written instrument of transfer satisfactory to the Registrar duly executed by the Registered Owner or his duly authorized attorney. In all cases in which the privilege of transferring or exchanging Series 2025 Bonds is exercised, the Issuer shall execute and the Trustee shall authenticate and deliver a new Bond or Series 2025 Bonds in authorized form and in like aggregate principal amount in accordance with the provisions of the Series 2025 Indenture. Every Bond presented or surrendered for transfer or exchange shall be duly endorsed or accompanied by a written instrument of transfer in form satisfactory to the Trustee, Paying Agent or the Registrar, duly executed by the Bondholder or his attorney duly authorized in writing. Transfers and exchanges shall be made without charge to the

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Mandatory Sinking Fund Redemption		Mandatory Sinking Fund Redemption	
Year	Amount	Year	Amount

\* Maturity

Except as otherwise provided in the Series 2025 Indenture, if less than all of the Series 2025 Bonds subject to redemption shall be called for redemption, the particular such Series 2025 Bonds or portions of such Series 2025 Bonds to be redeemed shall be selected by lot by the Registrar as provided in the Series 2025 Indenture.

Notice of each redemption of the Series 2025 Bonds is required to be sent by Electronic Means or mailed by the Registrar, postage prepaid, not less than thirty (30) nor more than sixty (60) days prior to the redemption date to each Registered Owner of the Series 2025 Bonds to be redeemed at the address of such Registered Owner recorded on the bond register maintained by the Registrar. The Issuer may provide that the any optional redemption of Series 2025 Bonds issued under the Series 2025 Indenture may be subject to certain conditions; provided that the notice of such conditional optional redemption must expressly state that such optional redemption is conditional and describe the conditions for such redemption. 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 Series 2025 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 Series 2025 Indenture and the Registered 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 Registrar to certain registered securities depositories and information services as set forth in the Series 2025 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.

The Registered Owner of this Bond shall have no right to enforce the provisions of the Series 2025 Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any Event of Default under the Series 2025 Indenture, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Series 2025 Indenture.

In certain events, on the conditions, in the manner and with the effect set forth in the Series 2025 Indenture, the principal of all the Series 2025 Bonds then Outstanding under the Series 2025

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Bondholder, except that the Issuer or the Trustee may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Series 2025 Bonds. Neither the Issuer nor the Registrar on behalf of the Issuer shall be required (i) to issue, transfer or exchange any Series 2025 Bond during a period beginning at the opening of business fifteen (15) days before the day of mailing of a notice of redemption of Series 2025 Bonds selected for redemption and ending at the close of business on the day of such mailing, or (ii) to transfer or exchange any Series 2025 Bond so selected for redemption in whole or in part.

The Issuer, the Trustee, the Paying Agent and the Registrar shall deem and treat the person in whose name any Bond shall be registered upon the books kept by the Registrar as the absolute owner thereof (whether or not such Bond shall be overdue, and notwithstanding any notation of ownership or other writing thereon made by anyone other than the Issuer, the Trustee, any Paying Agent, the Registrar or the Authenticating Agent) for the purpose of receiving payment of or on account of the principal of, premium, if any, and interest on such Bond as the same becomes due, and for all other purposes. All such payments so made to any such Registered Owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the Issuer, the Trustee, the Paying Agent, nor the Registrar shall be affected by any notice to the contrary.

It is hereby certified and recited that all acts, conditions and things required to exist, to happen, and to be performed, precedent to and in the issuance of this Bond exist, have happened and have been performed in regular and due form and time as required by the laws and Constitution of the State of Florida applicable thereto, including particularly the Act, and that the issuance of this Bond, and of the issue of the Series 2025 Bonds of which this Bond is one, is in full compliance with all constitutional and statutory limitations or provisions.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Series 2025 Indenture until it shall have been authenticated by execution of the Trustee, or such other authenticating agent as may be appointed by the Trustee under the Series 2025 Indenture, of the certificate of authentication endorsed hereon.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK – SIGNATURE PAGE FOLLOWS]

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IN WITNESS WHEREOF, Edgewater East Community Development District has caused this Bond to be signed by the facsimile signature of the Chair of its Board of Supervisors and a facsimile of its seal to be imprinted hereon, and attested by the facsimile signature of the Secretary of its Board of Supervisors, all as of the date hereof.

**EDGEWATER EAST COMMUNITY  
DEVELOPMENT DISTRICT**

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

(SEAL)

Attest:

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

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**STATEMENT OF VALIDATION**

This Bond is one of a series of Bonds which were validated by judgment of the Circuit Court of the Ninth Judicial Circuit of the State of Florida, in and for Osceola County, rendered on the 6<sup>th</sup> day of October, 2020.

**EDGEWATER EAST COMMUNITY  
DEVELOPMENT DISTRICT**

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

(SEAL)

Attest:

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

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**CERTIFICATE OF AUTHENTICATION**

This Bond is one of the Series 2025 Bonds delivered pursuant to the within mentioned Series 2025 Indenture.

Date of Authentication: \_\_\_\_\_, 2025

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

By: \_\_\_\_\_  
Authorized Signatory

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**ABBREVIATIONS**

The following abbreviations, when used in the inscription on the face of the within Bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM	-	as tenants in common
TEN ENT	-	as tenants by the entireties
JT TEN	-	as joint tenants with rights of survivorship and not as tenants in common

UNIFORM TRANSFER MIN ACT	-	_____ Custodian _____
		(Cust) (Minor)
Under Uniform Transfer to Minors Act		_____
		(State)

Additional abbreviations may also be used though not in the above list.

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ASSIGNMENT AND TRANSFER

FOR VALUE RECEIVED the undersigned sells, assigns and transfers unto

(please print or typewrite name and address of assignee)

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints

Attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Signature Guarantee:

NOTICE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company

NOTICE: The signature to this assignment must correspond with the name of the Registered Owner as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

Please insert social security or other identifying number of assignee.

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receive payment of, any of the moneys payable to the payee set forth above, which has not been released or will not be released simultaneously with the payment hereof.

The undersigned hereby further certifies that such requisition contains no item representing payment on account of any retained percentage which the District is at the date of such certificate entitled to retain.

Attached hereto or on file with the District are copies of the invoice(s) or applicable contracts from the vendor of the property acquired or the services rendered, as well as applicable conveyance instruments (e.g. deed(s), bill(s) of sale, easement(s), etc.) with respect to which disbursement is hereby requested.

EDGEWATER EAST COMMUNITY DEVELOPMENT DISTRICT

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

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

CONSULTING ENGINEER'S APPROVAL FOR  
NON-COST OF ISSUANCE OR [NON-OPERATING COSTS REQUESTS ONLY]

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, as such report shall have been amended or modified on the date hereof. The Consulting Engineer further certifies and agrees that for any acquisition (a) the portion of the Project that is the subject of this requisition is complete, and (b) the purchase price to be paid by the District for the portion of the Project to be acquired with this disbursement is no more than the lesser of (i) the fair market value of such improvements and (ii) the actual cost of construction of such improvements.

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

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

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EXHIBIT C

FORMS OF REQUISITIONS

EDGEWATER EAST COMMUNITY DEVELOPMENT DISTRICT  
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2025  
(ASSESSMENT AREA THREE)

(Acquisition and Construction)

The undersigned, a Responsible Officer of the Edgewater East Community Development District (the "District") hereby submits the following requisition for disbursement under and pursuant to the terms of the Master Trust Indenture by and between the District and U.S. Bank Trust Company, National Association (as successor in interest to U.S. Bank, National Association), as trustee, dated as of March 1, 2021, as supplemented by that certain Third Supplemental Trust Indenture dated as of \_\_\_\_\_ 1, 2025, (collectively, the "Series 2025 Indenture") (all capitalized terms used herein shall have the meaning ascribed to such term in the Series 2025 Indenture):

- (A) Requisition Number:
- (B) Identify Acquisition Agreement, if applicable;
- (C) Name of Payee:
- (D) Amount Payable:
- (E) Purpose for which paid or incurred (refer also to specific contract if amount is due and payable pursuant to a contract involving progress payments):
- (F) Fund or Account and subaccount, if any, from which disbursement to be made:

*Series 2025 Acquisition and Construction Account of the Acquisition and Construction Fund.*

The undersigned hereby certifies that:

- 1. obligations in the stated amount set forth above have been incurred by the District,
- 2. each disbursement set forth above is a proper charge against the Series 2025 Acquisition and Construction Account of the Acquisition and Construction Fund; and
- 3. each disbursement set forth above was incurred in connection with the Costs of the Project.

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

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FORMS OF REQUISITIONS

EDGEWATER EAST COMMUNITY DEVELOPMENT DISTRICT  
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2025  
(ASSESSMENT AREA THREE)

(Costs of Issuance)

The undersigned, a Responsible Officer of the Edgewater East Community Development District (the "District") hereby submits the following requisition for disbursement under and pursuant to the terms of the Master Trust Indenture by and between the District and U.S. Bank Trust Company, National Association (as successor in interest to U.S. Bank, National Association), as trustee, dated as of March 1, 2021, as supplemented by that certain Third Supplemental Trust Indenture dated as of \_\_\_\_\_ 1, 2025 (collectively, the "Series 2025 Indenture") (all capitalized terms used herein shall have the meaning ascribed to such term in the Series 2025 Indenture):

- (A) Requisition Number:
- (B) Amount Payable:
- (C) Purpose for which paid or incurred: Costs of Issuance
- (D) Fund or Account and subaccount, if any, from which disbursement to be made:

*Series 2025 Costs of Issuance Account of the Acquisition and Construction Fund*

The undersigned hereby certifies that:

- 1. this requisition is for Costs of Issuance payable from the Series 2025 Costs of Issuance Account that have not previously been paid;
- 2. each disbursement set forth above is a proper charge against the Series 2025 Costs of Issuance Account;
- 3. each disbursement set forth above was incurred in connection with the issuance of the Series 2025 Bonds; and
- 4. each disbursement represents a cost of issuance which has not previously been paid.

The undersigned hereby further certifies that there has not been filed with or served upon the District notice of any lien, right to lien, or attachment upon, or claim affecting the right to receive payment of, any of the moneys payable to the payee set forth above, which has not been released or will not be released simultaneously with the payment hereof.

The undersigned hereby further certifies that such requisition contains no item representing payment on account of any retained percentage which the District is at the date of such certificate entitled to retain.

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Attached hereto or on file with the District are copies of the invoice(s) from the vendor of the services rendered, with respect to which disbursement is hereby requested.

**EDGEWATER EAST COMMUNITY  
DEVELOPMENT DISTRICT**

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

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

**EXHIBIT D  
FORM OF INVESTOR LETTER**

[Date]

Edgewater East Community Development District  
c/o Wrathell Hunt & Associates, LLC  
2300 Glades Rd., Ste. 410W  
Boca Raton, FL 33431

FMSbonds, Inc.  
20660 W. Dixie Highway  
North Miami Beach, FL 33180

Re: \$ \_\_\_\_\_ Edgewater East Community Development District Special  
Assessment Revenue Bonds, Series 2025 (Assessment Area Three)

Ladies and Gentlemen:

The undersigned is authorized to sign this letter [on behalf of Name of Non-Individual Investor], as the beneficial owner (the "Investor") of \$ \_\_\_\_\_ of the above-referenced Bonds [state maturing on \_\_\_\_\_, bearing interest at the rate of \_\_\_\_ % per annum and CUSIP #] (herein, the "Investor Bonds").

In connection with the purchase of the Investor Bonds by the Investor, the Investor hereby makes the following representations upon which you may rely:

1. The Investor has authority to purchase the Investor Bonds and to execute this letter, any other instruments and documents required to be executed by the Investor in connection with the purchase of the Investor Bonds.

2. The Investor meets the criteria of an "accredited investor" as described in one or more of the categories derived from Rule 501(a) under Regulation D of the Securities Act of 1933, as amended (the "Securities Act") summarized below, and therefore, has sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other tax-exempt obligations including those which are not rated or credit-enhanced, to be able to evaluate the risks and merits of the investment represented by the Bonds. Please check the appropriate box below to indicate the type of accredited investor:

☐ a bank, registered broker, dealer or investment adviser (or investment adviser, exempt from registration under Section 203(l) or (m) within the meaning of the Investment Advisers Act of 1940), insurance company, registered investment company, business development company, small business investment company; or rural business investment company;

☐ an employee benefit plan, within the meaning of the Employee Retirement Income Security Act of 1974, if a bank, insurance company, or registered investment

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adviser makes the investment decisions, or if the employee benefit plan has total assets in excess of \$5 million;

☐ an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, corporation, Massachusetts or similar business trust, partnership or limited liability company, not formed for the specific purpose of acquiring the Investor Bonds with assets exceeding \$5 million;

☐ a business in which all the equity owners are "accredited investors;"

☐ a natural person who has individual net worth, or joint net worth with the person's spouse, or spousal equivalent, that exceeds \$1 million at the time of the purchase, excluding the value of the primary residence of such person except that mortgage indebtedness on the primary residence shall not be included as a liability;

☐ a natural person with income exceeding \$200,000 in each of the two most recent years or joint income with a spouse or spousal equivalent exceeding \$300,000 for those years and a reasonable expectation of the same income level in the current year;

☐ a trust with total assets in excess of \$5,000,000, not formed for the specific purpose of acquiring the Investor Bonds whose purchase is directed by a sophisticated person;

☐ an entity, of a type other than those set forth above, that owns investments in excess of \$5,000,000 and that was not formed for the specific purpose of acquiring the Investor Bonds;

☐ a natural person holding in good standing one or more professional certifications or designations or credentials from a designated accredited educational institution qualifying an individual for "accredited investor" status;

☐ a "family office" with at least \$5,000,000 in assets under management, that was not formed for the specific purpose of acquiring the Investor Bonds, and whose prospective investment is directed by a person capable of evaluating the merits and risks of the prospective investment; or

☐ a "family client" of a family office described in the prior bullet point whose prospective investment is directed by that family office.

3. The Investor has been supplied with an (electronic) copy of the Preliminary Limited Offering Memorandum dated June 9, 2025 of the Issuer and relating to the Bonds (the "Offering Document") and has reviewed the Offering Document and represents that such Offering Document has provided full and meaningful disclosure in order to make an informed decision to invest in the Investor Bonds.

Capitalized terms used herein and not otherwise defined have the meanings given to such terms in the Indenture.

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Very truly yours,

[Name], [Type of Entity]

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

Or

\_\_\_\_\_  
[Name], an Individual

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## **APPENDIX C**

### **PROPOSED FORM OF OPINION OF BOND COUNSEL**

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[Date of Delivery]

Board of Supervisors of Edgewater East  
Community Development District  
Osceola County, Florida

Re:    \$\_\_\_\_\_ **Edgewater East Community Development District  
Special Assessment Revenue Bonds, Series 2025 (Assessment Area Three)**

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by the Edgewater East Community Development District (the "District") of its \$\_\_\_\_\_ original principal amount of Special Assessment Revenue Bonds, Series 2025 (Assessment Area Three) (the "Series 2025 Bonds"), issued and delivered on this date pursuant to the constitution and laws of the State of Florida, particularly, the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended, and other applicable provisions of law (collectively, the "Act") and by Ordinance No. 2020-49 enacted by the Board of County Commissioners (the "Commission") of Osceola County, Florida on June 15, 2020 and effective on June 16, 2020, as amended by Ordinance No. 2020-66, Ordinance No. 2021-86 and Ordinance No. 2023-15 duly enacted by the Commission on September 21, 2020, December 13, 2021 and December 18, 2023, respectively, and effective on September 23, 2020, December 16, 2021 and December 27, 2023, respectively. The Series 2025 Bonds are being issued pursuant to the Act, Resolution Nos. 2020-28 and 2025-07 adopted by the Board of Supervisors (the "Board") of the District on July 16, 2020 and January 9, 2025, respectively (collectively, the "Resolution"). The Series 2025 Bonds are being issued and secured under that certain Master Trust Indenture dated as of March 1, 2021, as supplemented by that certain Third Supplemental Trust Indenture (collectively, the "Series 2025 Indenture") dated as of \_\_\_\_\_ 1, 2025, and each by and between the District and U.S. Bank Trust Company, National Association, as trustee (the "Trustee"). Capitalized terms used herein without definitions have the meanings ascribed thereto in the Series 2025 Indenture.

The Series 2025 Bonds are being issued for the primary purpose of financing the Assessment Area Three Project.

In order to secure the payment of the Series 2025 Bonds, and subject to the terms of the Series 2025 Indenture, the District has pledged to the holders of the Series 2025 Bonds and granted a lien to the holders of the Series 2025 Bonds on, the Series 2025 Pledged Revenues.

In connection with this opinion, we have examined the Act, certified copies of the Resolution, the Series 2025 Indenture, the Arbitrage Certificate, a transcript of the proceedings related to the issuance of the Series 2025 Bonds and such other documents and opinions as we have deemed necessary to render this opinion, and are relying on certain findings, covenants and agreements of the District set forth therein and such certified copies of the proceedings of the

District and such other documents and opinions as we have deemed necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon representations of the District furnished to us, without undertaking to verify such representations by independent investigation. We have also relied upon certain certifications and representations provided by Edgewater Property Holdings, LLC, a Delaware limited liability company, the primary landowner and developer of the real property within the District subject to the Series 2025 Special Assessments comprising the Series 2025 Pledged Revenues, without undertaking to verify such representations by independent investigation.

Based on the foregoing, and subject to the qualifications and limitations stated in this letter, we are of the opinion that:

1. The District has the power to authorize, execute and deliver the Series 2025 Indenture, to perform its obligations thereunder and to issue the Series 2025 Bonds.

2. The Series 2025 Indenture has been duly authorized, executed and delivered by the District. The Series 2025 Indenture creates a valid pledge of the Series 2025 Pledged Revenues with respect to the Series 2025 Bonds and constitutes a valid and binding obligation of the District enforceable against the District in accordance with its terms.

3. The issuance and sale of the Series 2025 Bonds have been duly authorized by the District and, assuming the due authentication thereof, the Series 2025 Bonds constitute valid and binding limited obligations of the District, payable in accordance with, and as limited by, the terms of the Series 2025 Indenture.

4. The Internal Revenue Code of 1986, as amended (herein, the "Code") includes requirements which the District must continue to meet after the issuance of the Series 2025 Bonds in order that interest on the Series 2025 Bonds not be included in gross income for federal income tax purposes. The failure of the District to meet these requirements may cause interest on the Series 2025 Bonds to be included in gross income for federal income tax purposes retroactive to their date of issuance. The District has covenanted in the Series 2025 Indenture to take the actions required by the Code in order to maintain the exclusion from gross income for federal income tax purposes of interest on the Series 2025 Bonds.

Under existing statutes, regulations, rulings and court decisions, subject to the assumption stated in the following paragraph, interest on the Series 2025 Bonds is excludable from the gross income of the owners thereof for federal income tax purposes. Furthermore, interest on the Series 2025 Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. In the case of the alternative minimum tax imposed by Section 55(b)(2) of the Code on applicable corporations (as defined in Section 59(k) of the Code), interest on the Series 2025 Bonds is not excluded from the determination of adjusted financial statement income.

In rendering the opinion expressed above, we have assumed continuing compliance with the tax covenants referred to above that must be met after the issuance of the Series 2025 Bonds in order that interest on the Series 2025 Bonds not be included in gross income for federal income tax purposes.

5. The Series 2025 Bonds and interest thereon are not subject to taxation under the laws of the State of Florida except as to estate taxes and taxes imposed by Chapter 220, Florida Statutes, on interest, income or profits on debt obligations owned by corporations as defined in Chapter 220.

We express no opinion regarding other federal or any state tax consequences resulting from the ownership, receipt or accrual of interest on, or disposition of the Series 2025 Bonds.

In rendering the foregoing opinions, we have assumed the accuracy and truthfulness of all public records and of all certifications, documents and other proceedings examined by us that have been executed or certified by public officials acting within the scope of their official capacities and have not verified the accuracy or truthfulness thereof. We have also assumed the genuineness of the signatures appearing upon such public records, certifications, documents and proceedings.

The opinions set forth herein are subject to state and federal laws relating to bankruptcy, insolvency, reorganization, moratorium and similar laws, and to equitable principles, affecting the enforcement of creditors' rights generally, and to the exercise of judicial discretion in appropriate cases.

We wish to call to your attention that the Series 2025 Bonds are limited obligations of the District payable solely from the Series 2025 Pledged Revenues, and neither the full faith and credit nor the taxing power of the District, Osceola County, Florida, the State of Florida or any other political subdivision thereof is pledged as security for the payment of the Series 2025 Bonds. The Series 2025 Bonds do not constitute an indebtedness of the District within the meaning of any constitutional or statutory provision or limitation.

We express no opinion herein with respect to any other document or agreement entered into by the District or by any other person in connection with the Series 2025 Bonds, other than as expressed herein.

Our opinions expressed herein are predicated upon present laws, facts and circumstances, and we assume no affirmative obligation to update the opinions expressed herein if such laws, facts or circumstances change after the date hereof.

Respectfully submitted,

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## **APPENDIX D**

### **PROPOSED FORM OF DISCLOSURE AGREEMENT**

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## CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (this “Disclosure Agreement”) dated \_\_\_\_\_, 2025 is executed and delivered by the Edgewater East Community Development District (the “Issuer” or the “District”), Edgewater Property Holdings, LLC, a Delaware limited liability company doing business in Florida as Edgewater Property Florida Holdings, LLC (the “Developer”) and Wrathell, Hunt and Associates, LLC, Boca Raton, Florida, as dissemination agent (together with its successors and assigns, the “Dissemination Agent”) in connection with the Issuer’s Special Assessment Revenue Bonds, Series 2025 (Assessment Area Three) (the “Bonds”). The Bonds are secured pursuant to a Master Trust Indenture dated as of March 1, 2021 (the “Master Indenture”) and a Third Supplemental Trust Indenture dated as of June 1, 2025 (the “Third Supplemental Indenture” and, together with the Master Indenture, the “Indenture”), each entered into by and between the Issuer and U.S. Bank Trust Company, National Association, a banking association duly organized and existing under the laws of the United States of America and having a designated corporate trust office initially in Fort Lauderdale, Florida, as trustee (the “Trustee”). The Issuer, the Developer and the Dissemination Agent covenant and agree as follows:

1. **Purpose of this Disclosure Agreement.** This Disclosure Agreement is being executed and delivered by the Issuer, the Developer and the Dissemination Agent for the benefit of the Beneficial Owners (as defined herein) of the Bonds and to assist the Participating Underwriter (as defined herein) of the Bonds in complying with the Rule (as defined herein). The Issuer and the Developer have no reason to believe that this Disclosure Agreement does not satisfy the requirements of the Rule and the execution and delivery of this Disclosure Agreement is intended to comply with the Rule. To the extent it is later determined by a court of competent jurisdiction, a governmental regulatory agency, or an attorney specializing in federal securities law, that the Rule requires the Issuer or the Developer to provide additional information, the Issuer and the Developer, as applicable, each agrees to promptly provide such additional information.

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

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

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

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

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

“Assessment Area Three” shall mean that portion of the assessable lands within the District subject to Assessments as more particularly described in the Limited Offering Memorandum.

“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.

“Business Day” means any day other than (a) a Saturday, Sunday or a day on which banks located in the city in which the designated corporate trust office of the Trustee is located are required or authorized by law or executive order to close for business, and (b) a day on which the New York Stock Exchange is closed.

“Disclosure Representative” shall mean (i) as to the Issuer, the District Manager or its designee, or such other person as the Issuer shall designate in writing to the Dissemination Agent from time to time as the person responsible for providing information to the Dissemination Agent; and (ii) as to each entity constituting an Obligated Person (other than the Issuer), such person(s) as such entity shall designate in writing to the Dissemination Agent from time to time as the person(s) responsible for providing information to the Dissemination Agent.

“Dissemination Agent” shall mean the Issuer or an entity appointed by the Issuer to act in the capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the Issuer pursuant to Section 9 hereof. Wrathell, Hunt and Associates, LLC, Boca Raton, Florida, has been designated as the initial Dissemination Agent hereunder.

“District Manager” shall mean Wrathell, Hunt and Associates, LLC, Boca Raton, Florida, and its successors and assigns.

“EMMA” means the Electronic Municipal Market Access system for municipal securities disclosures located at <http://emma.msrb.org/>.

“EMMA Compliant Format” shall mean a format for any document provided to the MSRB (as hereinafter defined) which is in an electronic format and is accompanied by identifying information, all as prescribed by the MSRB.

“Financial Obligation” means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a debt obligation or any such derivative instrument; provided that “financial obligation” shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

“Fiscal Year” shall mean the period commencing on October 1 and ending on September 30 of the next succeeding year, or such other period of time provided by applicable law.

“Limited Offering Memorandum” shall mean the final Limited Offering Memorandum dated \_\_\_\_\_, 2025 relating to the Bonds.

“Listed Events” shall mean any of the events listed in Section 6(a) of this Disclosure Agreement.

“MSRB” means the Municipal Securities Rulemaking Board.

“Obligated Person(s)” shall mean, with respect to the Bonds, those person(s) who either generally or through an enterprise fund or account of such persons are committed by contract or other arrangement to support payment of all or a part of the obligations on such Bonds (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities), which person(s) shall include the Issuer, and for the purposes of this Disclosure Agreement, the Developer, and any successor in title to any portion of Assessment Area Three, provided that each of the Developer or any successor in title shall become and remain an Obligated Person only when and for so long as such Developer or such successor in title is an owner of a portion of Assessment Area Three 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 February 1, 2026.

“Quarterly Report” shall mean any Quarterly Report provided by any Obligated Person (other than the Issuer) pursuant to, and as described in, Section 5 of this Disclosure Agreement.

“Repository” shall mean each entity authorized and approved by the SEC (as hereinafter defined) from time to time to act as a repository for purposes of complying with the Rule. The Repositories currently approved by the SEC may be found by visiting the SEC’s website at <http://www.sec.gov/info/municipal/nrmsir.htm>. As of the date hereof, the Repository recognized

by the Securities and Exchange Commission for such purpose is the MSRB, which currently accepts continuing disclosure submissions through its EMMA web portal. As used herein, “Repository” shall include the State Repository, if any.

“Rule” shall mean Rule 15c2-12 adopted by the SEC under the Securities Exchange Act of 1934, as the same has and may be amended from time to time.

“SEC” means the Securities and Exchange Commission.

“State” shall mean the State of Florida.

“State Repository” shall mean any public or private repository or entity designated by the State as a state repository for the purposes of the Rule.

### **3. Provision of Annual Reports.**

(a) Subject to the following sentence, the Issuer shall provide the Annual Report to the Dissemination Agent no later than one hundred eighty (180) days after the close of the Issuer’s Fiscal Year (the “Annual Filing Date”), commencing with the Annual Report for the Fiscal Year ending September 30, 2025, with the initial Annual Filing Date being March 29, 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, 9 months after the close of the Issuer’s Fiscal Year (the “Audited Financial Statements Filing Date”). The initial Audited Financial Statements Filing Date shall be June 30, 2026, which shall include the Audited Financial Statements for Fiscal Year ending September 30, 2025. The Issuer shall file unaudited financial statements if Audited Financial Statements are not ready by the Audited Financial Statements Filing Date, to be followed up with the Audited Financial Statements when available. The Issuer shall, or shall cause the Dissemination Agent to, provide to the Repository the components of an Annual Report which satisfies the requirements of Section 4(a) of this Disclosure Agreement within thirty (30) days after same becomes available, but in no event later than the Annual Filing Date or Audited Financial Statements Filing Date, if applicable. If the Issuer’s Fiscal Year changes, the Issuer shall give notice of such change in the same manner as for a Listed Event under Section 6.

(b) If on the fifteenth (15<sup>th</sup>) day prior to each Annual Filing Date or the Audited Financial Statements Filing Date, as applicable, the Dissemination Agent has not received a copy of the Annual Report or Audited Financial Statements, as applicable, the Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be via email) to remind the Issuer of its undertaking to provide the Annual Report or Audited Financial Statements, as applicable, pursuant to Section 3(a). Upon such reminder, the Disclosure Representative shall either (i) provide the Dissemination Agent with an electronic copy of the Annual Report or the Audited Financial Statements, as applicable, in accordance with Section 3(a) above, or (ii) advise the Dissemination Agent in writing that the Issuer will not

be able to file the Annual Report or Audited Financial Statements, as applicable, within the times required under this Disclosure Agreement, state the date by which the Annual Report or the Audited Financial Statements for such year, as applicable, will be provided and instruct the Dissemination Agent that a Listed Event as described in Section 6(a)(xvii) has occurred and to immediately send a notice to the Repository in substantially the form attached hereto as Exhibit A.

(c) If the Dissemination Agent has not received an Annual Report by 12:00 noon on the first (1<sup>st</sup>) Business Day following the Annual Filing Date for the Annual Report or the Audited Financial Statements by 12:00 noon on the first (1<sup>st</sup>) Business Day following the Audited Financial Statements Filing Date for the Audited Financial Statements, then a Listed Event as described in Section 6(a)(xvii) shall have occurred and the Issuer irrevocably directs the Dissemination Agent to immediately send a notice to the Repository in substantially the form attached as Exhibit A.

(d) The Dissemination Agent shall:

(i) determine each year prior to the Annual Filing Date the name, address and filing requirements of the Repository; and

(ii) promptly upon fulfilling its obligations under subsection (a) above, file a notice with the Issuer and the Trustee stating that the Annual Report or Audited Financial Statement 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 contain or incorporate by reference Annual Financial Information with respect to the Issuer, including the following:

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

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

(iii) If available, the amount of delinquencies greater than one hundred fifty (150) days, and, in the event that delinquencies amount to more than ten percent (10%) of the amounts of the applicable Assessments due in any year, a list of delinquent property owners.

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

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

(vi) The total amount of Bonds Outstanding.

(vii) The amount of principal and interest to be paid on the Bonds in the current Fiscal Year.

(viii) The most recent Audited Financial Statements of the Issuer.

(ix) To the extent available, the certified tax roll for the current Fiscal Year (certified in the prior Fiscal Year) that contains the folio numbers, the Assessments to be levied in the then current Fiscal Year (both debt assessments and operation and maintenance assessments broken out separately), the assessed value associated with each folio, and the total assessed value for all the land within Assessment Area Three.

(b) In the event of any amendment or waiver of a provision of this Disclosure Agreement, a description of such amendment or waiver shall be included 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, or 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.

(c) To the extent any of the items set forth in subsections (i) through (vii) above are included in the Audited Financial Statements referred to in subsection (viii) above, they do not have to be separately set forth (unless Audited Financial Statements are being delivered more than 180 days after the close of the Issuer's Fiscal Year pursuant to Section 3(a) hereof). Any or all of the items listed above may be incorporated by reference from other documents, including limited offering 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.

(d) 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) shall provide an electronic copy of the Quarterly Report to the Dissemination Agent no later than fifteen (15) days prior to each Quarterly Filing Date, commencing with the calendar quarter ending December 31, 2025. Promptly upon receipt of an electronic copy of the Quarterly Report, but in any event within ten (10) days after receipt thereof, the Dissemination Agent shall provide a Quarterly Report to the Repository.

(b) Each Quarterly Report shall contain an update of the following information for each Obligated Person to the extent available with respect to Assessment Area Three 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 Sales Status Information

(vii) The number of homes under contract for sale (but not closed) with homebuyers, during quarter.

(viii) The number of homes sold (and closed) with homebuyers, during the quarter.

(ix) The number of homes sold (and closed) with homebuyers (cumulative).

(x) Materially adverse changes to (a) builder contracts, if applicable, (b) the number of lots planned to be developed, (c) permits/approvals, or (d) the Obligated Person, including, but not limited to, changes in financial status, ownership and corporate structure.

(xi) The occurrence of any new or modified mortgage debt on the land owned by the Obligated Person in the District, including the amount, interest rate and terms of repayment.

(c) If an Obligated Person sells, assigns or otherwise transfers ownership of real property in Assessment Area Three (a “Transferor Obligated Person”) to a third party, 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 commercially reasonable efforts to contractually obligate such third party to agree to comply with the disclosure obligations of an Obligated Person hereunder for so long as such third party is an Obligated Person hereunder, to the same extent as if such third party 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 ten (10) Business Days of the occurrence thereof. In the event that the Transferor Obligated Person remains an Obligated Person hereunder following any Transfer, nothing herein shall be construed to relieve the Transferor Obligated Person from its obligations hereunder, except to the extent set forth in an Assignment to a third party and then only to the extent set forth in such Assignment.

(d) If the Dissemination Agent has not received a Quarterly Report that contains, at a minimum, the information in Section 5(b) of this Disclosure Agreement by 12:00 noon on the first (1<sup>st</sup>) Business Day following each Quarterly Filing Date, a Listed Event described in Section 6(a)(xvii) shall have occurred and the District and each Obligated Person hereby direct the Dissemination Agent to send a notice to the Repository in substantially the form attached as Exhibit A, with a copy to the District. The Dissemination Agent shall file such notice no later than thirty (30) days following the applicable Quarterly Filing Date.

#### **6. Reporting of Significant Events.**

(a) This Section 6 shall govern the giving of notices of the occurrence of any of the following Listed Events with respect to the Bonds:

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

(vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determination of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds.

(vii) Any unscheduled draw on the Debt Service Reserve Fund established under the Indenture reflecting financial difficulties.

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\*Not applicable to the Bonds.

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



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

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

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

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

(xii) Bankruptcy, insolvency, receivership or similar event of the Issuer or any Obligated Person (which is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer or any Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer or any Obligated Person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer or any Obligated Person).

(xiii) The consummation of a merger, consolidation, or acquisition involving the Issuer or any Obligated Person or the sale of all or substantially all of the assets of the Issuer or any Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.

(xiv) The appointment of a successor or additional trustee or the change of name of the Trustee, if material.

(xv) Incurrence of a Financial Obligation of the Issuer or any Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer or any Obligated Person, any of which affect security holders, if material.

(xvi) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer or any Obligated Person, any of which reflect financial difficulties.

(xvii) Failure to provide (A) any Annual Report or Audited Financial Statement as required under this Disclosure Agreement that contains, in all material respects, the information required to be included therein under Section 4(a) of this Disclosure Agreement, or (B) any Quarterly Report that contains, in all material respects, the information required to be included therein under Section 5(b) of this Disclosure Agreement, which failure shall, in all cases, be deemed material under federal securities laws.

(b) The Issuer shall give, or cause to be given, notice to the Dissemination Agent in writing of the occurrence of any of the above subsection (a) Listed Events in sufficient time in order to allow the Dissemination Agent to file notice of the occurrence of such Listed Event in a timely manner not in excess of ten (10) Business Days after its occurrence, with the exception of the Listed Event described in Section 6(a)(xvii), which notice will be given in a timely manner. Such notice shall instruct the Dissemination Agent to report the occurrence pursuant to subsection (d) below. Such notice shall identify the Listed Event that has occurred, include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth (10<sup>th</sup>) Business Day after the occurrence of the Listed Event).

(c) Each Obligated Person shall notify the Issuer and the Dissemination Agent of the occurrence of a Listed Event described in subsection (a)(ix), but only to the extent not in the ordinary course of business, and subsections (a)(xii), (xiii), (xv) or (xvi) above as 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. Any obligations herein pertaining to the Developer shall terminate at such time as the Developer is no longer the owner of lands/units responsible for payment of at least 20% of the Assessments.

8. **Prior Undertakings.** Except as disclosed in the Limited Offering Memorandum, during the past year, the Developer has been in compliance with all prior continuing disclosure undertakings in connection with the Rule.

9. **Dissemination Agent.** Upon termination of the Dissemination Agent's services as Dissemination Agent, whether by notice of the Issuer or the Dissemination Agent, the Issuer agrees to appoint a successor Dissemination Agent or, alternatively, agrees to assume all responsibilities of Dissemination Agent under this Disclosure Agreement for the benefit of the Holders of the Bonds. If at any time there is not any other designated Dissemination Agent, the District shall be deemed to be the Dissemination Agent. Notwithstanding any replacement or appointment of a successor, the Issuer shall remain liable until payment in full for any and all sums owed and payable to the Dissemination Agent hereunder. The initial Dissemination Agent shall be Wrathell, Hunt and Associates, LLC, Boca Raton, Florida. The acceptance of such designation is evidenced by the execution of this Disclosure Agreement by a duly authorized signatory of Wrathell, Hunt and Associates, LLC, Boca Raton, Florida. Wrathell, Hunt and Associates, LLC, Boca Raton, Florida may terminate its role as Dissemination Agent at any time upon delivery of thirty (30) days prior written notice to the District and each Obligated Person.

10. **Amendment; Waiver.** Notwithstanding any other provision of this Disclosure Agreement, the Issuer, the Developer and the Dissemination Agent may amend this Disclosure Agreement, and any provision of this Disclosure Agreement may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws, acceptable to the Issuer, to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Issuer shall describe such amendment and/or waiver in the next Annual Report and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change in accounting principles, or the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements: (i) notice of such change shall be given in the same manner as for a Listed Event under Section 6(b); and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Notwithstanding the above provisions of this Section 10, no amendment to the provisions of Section 5(b) hereof or any other provision herein that adversely impacts an Obligated Person (other than the Issuer) may be made without the consent of each Obligated Person, if any.

11. **Additional Information.** Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

12. **Default.** In the event of a failure of the Issuer, the Disclosure Representative, any Obligated Person or the Dissemination Agent to comply with any provision of this Disclosure Agreement, the Trustee shall, at the request of any Participating Underwriter or the Owners of at least twenty-five percent (25%) aggregate principal amount of Outstanding Bonds and receipt of indemnity satisfactory to the Trustee, or any Beneficial Owner of a Bond may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer, the Disclosure Representative, any Obligated Person or a Dissemination Agent, as the case may be, to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement by any Obligated Person other than the Issuer shall not be deemed a default by the Issuer hereunder and a default by the Issuer hereunder shall not be deemed a default by any other Obligated Person. Further, no default hereunder shall be deemed an Event of Default under the Indenture, and the sole remedy under this Disclosure

Agreement in the event of any failure of the Issuer, the Disclosure Representative, any Obligated Person, or a Dissemination Agent, to comply with this Disclosure Agreement shall be an action to compel performance.

13. **Duties of Dissemination Agent.** The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement. The Dissemination Agent shall have no obligation to notify any other party hereto of an event that may constitute a Listed Event. The District, each Obligated Person and the Disclosure Representative covenant that they will supply, in a timely fashion, any information reasonably requested by the Dissemination Agent that is necessary in order for the Dissemination Agent to carry out its duties under this Disclosure Agreement. The District, the Developer and the Disclosure Representative acknowledge and agree that the information to be collected and disseminated by the Dissemination Agent will be provided by the District, Obligated Person(s), the Disclosure Representative and others. The Dissemination Agent's duties do not include authorship or production of any materials, and the Dissemination Agent shall have no responsibility hereunder for the content of the information provided to it by the District, any Obligated Person or the Disclosure Representative as thereafter disseminated by the Dissemination Agent. Any filings under this Disclosure Agreement made to the MSRB through EMMA shall be in an EMMA Compliant Format and shall include the applicable CUSIP number(s) for the Bonds set forth in Exhibit A hereto, to which any such filing relates.

14. **Beneficiaries.** This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Developer, the Dissemination Agent, the Trustee, the Participating Underwriter and the Owners of the Bonds (the Participating Underwriter and Owners of the Bonds being hereby deemed express third party beneficiaries of this Disclosure Agreement), and shall create no rights in any other person or entity.

15. **Tax Roll and Budget.** Upon the request of the Dissemination Agent, the Trustee or any Beneficial Owner, the Issuer, through its District Manager, if applicable, agrees to provide such party with a certified copy of its most recent tax roll provided to the Osceola County Tax Collector and the Issuer's most recent adopted budget.

16. **Governing Law.** The laws of the State of Florida and Federal law shall govern this Disclosure Agreement and venue shall be any state or federal court having jurisdiction in Osceola County, Florida.

17. **Counterparts.** This Disclosure Agreement may be executed in several counterparts and by PDF signature and all of which shall constitute but one and the same instrument. A scanned copy of signatures delivered in PDF format may be relied upon as if the original had been delivered.

18. **Trustee Cooperation.** The Issuer represents that the Dissemination Agent is a bona fide agent of the Issuer and the Issuer instructs the Trustee to deliver to the Dissemination Agent at the expense of the Issuer, any information or reports in the possession of or readily available to the Trustee which the Dissemination Agent requests in writing.

19. **Binding Effect.** This Disclosure Agreement shall be binding upon each party to this Disclosure Agreement and upon each successor and assignee of each party to this Disclosure Agreement and shall inure to the benefit of, and be enforceable by, each party to this Disclosure Agreement and each successor and assignee of each party to this Disclosure Agreement. Notwithstanding the foregoing, as to any entity comprising the Developer or any assignee or successor thereto that becomes an Obligated Person pursuant to the terms of this Disclosure Agreement, only successors or assignees to such party 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.

[SEAL]

EDGEWATER EAST COMMUNITY  
DEVELOPMENT DISTRICT, as Issuer

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

ATTEST:

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

EDGEWATER PROPERTY HOLDINGS,  
LLC, a Delaware limited liability company,  
doing business in Florida as Edgewater  
Property Florida Holdings, LLC, as  
Developer

By: \_\_\_\_\_  
Name: Marc Porosoff  
Title: Vice President and Secretary  
\_\_\_\_\_

By: \_\_\_\_\_  
Name: Jordan Socaransky  
Title: Vice President  
\_\_\_\_\_

WRATHELL, HUNT AND ASSOCIATES,  
LLC, as Dissemination Agent

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

CONSENTED TO AND AGREED TO BY:

DISTRICT MANAGER

WRATHELL, HUNT AND ASSOCIATES, LLC,  
as District Manager

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

Acknowledged and agreed to for purposes of  
Sections 12, 14 and 18 only:

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

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

**EXHIBIT A**

**FORM OF NOTICE TO REPOSITORIES OF FAILURE TO FILE [ANNUAL REPORT]  
[AUDITED FINANCIAL STATEMENTS] [QUARTERLY REPORT]**

Name of Issuer: Edgewater East Community Development District

Name of Bond Issue: \$\_\_\_\_\_ aggregate principal amount of Special Assessment Revenue Bonds, Series 2025 (Assessment Area Three)

Obligated Person(s): Edgewater East Community Development District; Edgewater Property Holdings, LLC (doing business in Florida as Edgewater Property Florida Holdings, LLC)

Original Date of Issuance: \_\_\_\_\_, 2025

CUSIP Numbers:

NOTICE IS HEREBY GIVEN that the [Issuer][Developer] 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][Developer] 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



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

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# EDGEWATER EAST COMMUNITY DEVELOPMENT DISTRICT

## Master Special Assessment Methodology Report

August 26, 2020



Provided by:

**Wrathell, Hunt and Associates, LLC**

2300 Glades Road, Suite 410W

Boca Raton, FL 33431

Phone: 561-571-0010

Fax: 561-571-0013

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

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## **1.0 Introduction**

### **1.1 Purpose**

This Master Special Assessment Methodology Report (the "Report") was developed to provide a master financing plan and a master special assessment methodology for the Edgewater East Community Development District (the "District"), located in unincorporated Osceola County, Florida, as related to funding the costs of public infrastructure improvements (the "Capital Improvement Plan") contemplated to be provided by the District.

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

This Report presents the projections for financing the District's Capital Improvement Plan described in the Edgewater East Community Development District Engineer's Report prepared by Hanson, Walter & Associates, Inc. (the "District Engineer") and dated August 26, 2020 (the "Engineer's Report"), as well as describes the method for the allocation of special benefits and the apportionment of special assessment debt resulting from the provision and funding of the Capital Improvement Plan.

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

Improvements undertaken and funded by the District as part of the Capital Improvement Plan create special and peculiar benefits, different in kind and degree than general benefits, for properties within its borders as well as general benefits to the public at large. However, as discussed within this Report, these general benefits are incidental in nature and are readily distinguishable from the special and peculiar benefits which accrue to property within the District. The District's Capital Improvement Plan enables properties within its boundaries to be developed.

There is no doubt that the general public and owners of property outside the District will benefit from the provision of the Capital Improvement Plan. However, these benefits are only incidental since the Capital Improvement Plan is designed solely to provide special benefits peculiar to property within the District. Properties outside the District are not directly served by the Capital Improvement Plan and this fact alone clearly distinguishes the special benefits which District properties receive compared to those lying outside of the District's boundaries.

The Capital Improvement Plan will provide public infrastructure improvements which are all necessary in order to make the lands within the District developable and saleable. The installation of such improvements will cause the value of the developable and saleable lands within the District to increase by more than the sum of the financed cost of the individual components of the Capital Improvement Plan. Even though the exact value of the benefits provided by the Capital Improvement Plan is hard to estimate at this point, it is nevertheless greater than the costs associated with providing the same.

#### **1.4 Organization of the Report**

*Section Two* describes the development program as proposed by the Developer, as defined below.

*Section Three* provides a summary of the Capital Improvement Plan as determined by the District Engineer.

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

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

### **2.0 Development Program**

#### **2.1 Overview**

The District will serve a portion of the Edgewater development (the "Development" or "Edgewater"), a master planned, mixed-use development located in unincorporated Osceola County, Florida. The land within the District currently consists of approximately 1,284.715 +/- acres and is generally located directly west of the Florida's Turnpike and east of Lake Tohopekaliga. Please note that the District may be expanded in the future to include additional lands located within the Development and referred to in the Engineer's Report and in this Report as the Expansion Parcels.

#### **2.2 The Development Program**

The development of land within the District is anticipated to be conducted by Edgewater Property Holdings Florida, LLC and/or its assigns or affiliates (the "Developer"). Based upon the information provided by the Developer, the most current development plan envisions a total of 3,548 residential units, although land use types

and unit numbers may change throughout the development period. Table 1 in the *Appendix* illustrates the development plan for the District. The development of land within the District is planned to be conducted in several phases over a multi-year period.

### **3.0 The Capital Improvement Plan**

#### **3.1 Overview**

The public infrastructure costs to be funded by the District are described by the District Engineer in the Engineer's Report. Only public infrastructure that may qualify for bond financing by the District under Chapter 190, Florida Statutes and under the Internal Revenue Code of 1986, as amended, was included in these estimates.

#### **3.2 Capital Improvement Plan**

According to the District Engineer, the Capital Improvement Plan needed to serve the District is projected to consist of improvements which will provide benefits to all lands within the District (the "Master Infrastructure") and improvements which will provide benefits to lands within only specific neighborhoods within the District (the "Neighborhood Infrastructure").

Please note that the District may be expanded in the future to include Expansion Parcels. While the Master Infrastructure portion of the District's Capital Improvement Plan may in the future serve and benefit the lands within the Expansion Parcels, at present time the Master Infrastructure's purpose is to serve and benefit the lands contained within the current boundaries of the District, as their provision is required for the development of lands contained within the current boundaries of the District. If, in the future, the boundaries of the District are expanded to include any or all of the Expansion Parcels, the costs of the Master Infrastructure portion of the Capital Improvement Plan will be apportioned among all benefitted lands within the then boundaries of the District, to include the Expansion Parcels and such apportionment of the costs will be addressed in a supplement to this Report.

The Master Infrastructure will consist of roadways, stormwater management, utilities (water, sewer, reclaim), hardscape/landscape/irrigation/trails, undergrounding of electrical conduit and environmental conservation/mitigation. At the time of this writing, the total cost of the Master Infrastructure, including applicable costs

of professional services and contingencies, is estimated to total approximately \$88,739,165. The Master Infrastructure will serve and provide benefit to all land uses in the District and it will comprise an interrelated system of improvements, which means all of improvements will serve all lands in the District and each component of Master Infrastructure will be interrelated such that they will reinforce one another.

The Neighborhood Infrastructure will consist of streets, signage/signalization/street lighting, sidewalks/multi-use paths, stormwater management, utilities (water, sewer, reclaim), hardscape/landscape/irrigation, boat lifts and possibly other public infrastructure permitted by Chapter 190, Florida Statutes. At the time of this writing, the total cost of the Neighborhood Infrastructure, including applicable costs of professional services and contingencies, is estimated to total approximately \$53,220,000 or \$15,000 per each residential unit. The Neighborhood Infrastructure will serve and provide benefit to all land uses within that particular neighborhood and it will comprise an interrelated system of improvements within that neighborhood, which means all of improvements within that neighborhood will serve all lands within that neighborhood and each component of Neighborhood Infrastructure will be interrelated such that they will reinforce one another.

Table 2 in the *Appendix* illustrates the specific components of the Capital Improvement Plan.

## **4.0 Financing Program**

### **4.1 Overview**

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

Even though the actual financing plan may change to include multiple series of bonds, it is likely that in order to fully fund costs of



the entire Capital Improvement Plan and fund both the Master Infrastructure and Neighborhood Infrastructure as described in *Section 3.2* in one financing transaction, the District would have to issue approximately \$118,750,000 in par amount of Master Infrastructure Special Assessment Revenue Bonds (the "Master Infrastructure Bonds") and approximately \$71,350,000 in par amount of Neighborhood Infrastructure Special Assessment Revenue Bonds (the "Neighborhood Infrastructure Bonds" and together with the Master Infrastructure Bonds, the "Bonds"). Consequently, the Bonds would total approximately \$190,100,000 in par amount.

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

#### **4.2 Types of Bonds Proposed**

The proposed financing plan for the District provides for the issuance of the Bonds in the approximate principal amount of \$190,100,000 to finance approximately \$141,959,165 (\$88,739,165 in Master Infrastructure and \$53,220,000 in Neighborhood Infrastructure) in Capital Improvement Plan costs. The Bonds as projected under this financing plan would be structured to be amortized in 30 annual installments following a 24-month capitalized interest period. Interest payments on the Bonds would be made every May 1 and November 1, and principal payments on the Bonds would be made either on May 1 or on November 1.

In order to finance the improvement and other costs, the District would need to borrow more funds and incur indebtedness in the total amount of approximately \$190,100,000. The difference is comprised of debt service reserve, capitalized interest, underwriter's discount and costs of issuance. Preliminary sources and uses of funding for the Bonds are presented in Table 3 in the *Appendix*.

**Please note that the structure of the Bonds as presented in this Report is preliminary and may change due to changes in the development program, market conditions, timing of infrastructure installation as well as for other reasons. The District maintains complete flexibility as to the structure of the**

**Bonds and reserves the right to modify the structure of the Bonds as necessary.**

## **5.0 Assessment Methodology**

### **5.1 Overview**

The issuance of the Bonds provides the District with funds necessary to construct/acquire the infrastructure improvements which are part of the Capital Improvement Plan outlined in *Section 3.2* and described in more detail by the District Engineer in the Engineer's Report. These improvements lead to special and general benefits, with special benefits accruing to the assessable properties within the boundaries of the District and general benefits accruing to areas outside the District but being only incidental in nature. The debt incurred in financing the public infrastructure will be paid off by assessing properties that derive special and peculiar benefits from the Capital Improvement Plan. All properties that receive special benefits from the Capital Improvement Plan will be assessed for their fair share of the debt issued in order to finance all or a portion of the Capital Improvement Plan.

### **5.2 Benefit Allocation**

The most current development plan envisions the development of a total of 3,548 residential units, although land use types and unit numbers may change throughout the development period.

According to the District Engineer, the Capital Improvement Plan needed to serve the District is projected to consist of Master Infrastructure, which will provide benefits to all lands within the District and Neighborhood Infrastructure, which will provide benefits to lands within only specific neighborhoods within the District.

The Master Infrastructure will serve and provide benefit to all land uses in the District and it will comprise an interrelated system of improvements, which means all of improvements will serve all lands in the District and Master Infrastructure will be interrelated such that they will reinforce one another. The Neighborhood Infrastructure will serve and provide benefit to all land uses within that particular neighborhood and it will comprise an interrelated system of improvements within that neighborhood, which means all of improvements within that neighborhood will serve all lands within that neighborhood and Neighborhood Infrastructure will be interrelated such that they will reinforce one another.

By allowing for the land within the entire District and also within each separate neighborhood within the District to be developable, both the Master Infrastructure and the Neighborhood Infrastructure and their combined benefit will be greater than the sum of their individual benefits. All of the land uses within the District will benefit from each infrastructure improvement category listed in the Engineer's Report and in Table 2 in the *Appendix*, as the improvements provide basic infrastructure to all land within the District and benefit all land within the District as an integrated system of improvements.

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

The benefit associated with the Capital Improvement Plan of the District is proposed to be allocated to the different product types within the District in proportion to the density of development and intensity of use of the infrastructure as measured by a standard unit called an Equivalent Residential Unit ("ERU"). Table 4 in the *Appendix* illustrates the ERU weights that are proposed to be assigned to the land uses contemplated to be developed within the District based on the relative density of development and the intensity of use of Master Infrastructure and Neighborhood Infrastructure, the total ERU counts for each land use category, and the share of the benefit received by each land use from Master Infrastructure and Neighborhood Infrastructure.

The rationale behind different ERU weights for the Master Infrastructure is supported by the fact that generally and on average smaller units or units with a lower intensity of use will use and benefit from the District's Master Infrastructure less than larger units or units with a higher intensity of use, as for instance,

generally and on average smaller units or units with lower intensity of use produce less storm water runoff, may typically produce fewer vehicular trips, and may typically need less water/sewer capacity than larger units. Additionally, the value of the larger units or units with a higher intensity of use is likely to appreciate by more in terms of dollars than that of the smaller units or units with a lower intensity of use as a result of the implementation of the Master Infrastructure portion of the Capital Improvement Plan. As the exact amount of the benefit and appreciation is not possible to be calculated at this time, the use of ERU measures serves as a reasonable approximation of the relative amount of benefit received from the District's improvements.

Similarly, the rationale behind different ERU weights for the Neighborhood Infrastructure is supported by the fact that generally and on average smaller units or units with a lower intensity of use will use and benefit from the District's Neighborhood Infrastructure less than larger units or units with a higher intensity of use, as for instance, generally and on average smaller units or units with lower intensity of use produce less storm water runoff, may typically produce fewer vehicular trips, and may typically need less water/sewer capacity than larger units. Additionally, the value of the larger units or units with a higher intensity of use is likely to appreciate by more in terms of dollars than that of the smaller units or units with a lower intensity of use as a result of the implementation of the Neighborhood Infrastructure portion of the Capital Improvement Plan. As the exact amount of the benefit and appreciation is not possible to be calculated at this time, the use of ERU measures serves as a reasonable approximation of the relative amount of benefit received from the District's improvements.

Table 5 in the *Appendix* presents the apportionment of the assessment associated with funding the District's Capital Improvement Plan, separately for the Master Infrastructure funded by the Master Bonds (the "Master Bond Assessments") and separately for the Neighborhood Infrastructure funded by the Neighborhood Bonds (the "Neighborhood Bond Assessments" and together with the Master Bond Assessments, the "Bond Assessments") in accordance with the ERU benefit allocation method presented in Table 4. Table 5 also presents the annual levels of the projected annual debt service assessments per unit.

### **5.3 Assigning Debt**

As the land within the District is not yet platted and the precise location of the planned residential units by parcel cannot be determined, the Bond Assessments will initially be levied on all of the gross acre land in the District on an equal per gross acre basis. Consequently, the Bond Assessments will be levied on approximately 1,284.715 +/- gross acres within the District and thus the total bonded debt in the amount of \$190,100,000 will be preliminarily levied on approximately 1,284.715 +/- gross acres at a rate of \$147,970.56 per acre.

As the land is platted, the Bond Assessments will be allocated to each platted parcel on a first platted-first assigned basis based on the planned use for that platted parcel as reflected in Table 5 in the *Appendix*. Such allocation of Bond Assessments to platted parcels will reduce the amount of Bond Assessments levied on unplatted gross acres within the District.

Further, to the extent that any residential land which has not been platted is sold to another developer or builder, the Bond Assessments will be assigned to such parcel at the time of the sale based upon the development rights associated with such parcel that are transferred from seller to buyer. The District shall provide an estoppel or similar document to the buyer evidencing the amount of Bond Assessments transferred at sale.

### **5.4 Lienability Test: Special and Peculiar Benefit to the Property**

As first discussed in *Section 1.3*, Special Benefits and General Benefits, improvements undertaken by the District create special and peculiar benefits to certain properties within the District. The District's improvements benefit assessable properties within the District and accrue to all such assessable properties on an ERU basis.

Improvements undertaken by the District can be shown to be creating special and peculiar benefits to the property within the District. The special and peculiar benefits resulting from each improvement include, but are not limited to:

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

The improvements which are part of the Capital Improvement Plan make the land in the District developable and saleable and when implemented jointly as parts of the Capital Improvement Plan, provide special and peculiar benefits which are greater than the benefits of any single category of improvements. These special and peculiar benefits are real and ascertainable, but not yet capable of being calculated and assessed in terms of a precise numerical value; however, such benefits are more valuable than either the cost of, or the actual assessment levied for, the improvement or debt allocated to the parcel of land.

#### **5.5 Lienability Test: Reasonable and Fair Apportionment of the Duty to Pay**

A reasonable estimate of the proportion of special and peculiar benefits received from the improvements is delineated in Table 4 (expressed as ERU factors) in the *Appendix*.

The apportionment of the assessments is fair and reasonable because it was conducted on the basis of consistent application of the methodology described in *Section 5.2* across all assessable property within the District according to reasonable estimates of the special and peculiar benefits derived from the Capital Improvement Plan by different land uses.

Accordingly, no acre or parcel of property within the District will be lienied for the payment of any non-ad valorem special assessment more than the determined special benefit peculiar to that property.

#### **5.6 True-Up Mechanism**

The Assessment Methodology described herein is based on conceptual information obtained from the Developer prior to construction. As development occurs it is possible that the number of ERUs within each parcel's assessment area may change. The mechanism for maintaining the methodology over the changes is referred to as true-up.

This mechanism is to be utilized to ensure that the Bond Assessments on a per ERU basis never exceeds the initially allocated assessment as contemplated in the adopted assessment methodology. Bond Assessments per ERU preliminarily equal \$47,371.63 (\$190,100,000 in Bond Assessments divided by 4,012.95 ERUs) and may change based on the final bond sizing. If such changes occur, the Methodology is applied to the land based

on the number of and type of units of particular land uses within each and every parcel as signified by the number of ERUs.

As the land is platted, the Bond Assessments are assigned to platted parcels based on the figures in Table 5 in the *Appendix*. If as a result of platting and apportionment of the Bond Assessments to the platted parcel of land, the Bond Assessments per ERU for land that remains unplatted remains equal to \$47,371.63, then no true-up adjustment will be necessary.

If as a result of platting and apportionment of the Bond Assessments to the platted land, the Bond Assessments per ERU for land that remains unplatted equal less than \$47,371.63 (either as a result of a larger number of units, different units or both), then the per ERU Bond Assessments for all parcels will be lowered if that state persists at the conclusion of platting of all land.

If, in contrast, a result of platting and apportionment of the Bond Assessments to the platted land, the Bond Assessments per ERU for land that remains unplatted equal more than \$47,371.63 (either as a result of a smaller number of units, different units or both), then the difference in Bond Assessments plus accrued interest will be collected from the owner of the property which platting caused the increase of Bond Assessments per ERU to occur, in accordance with the District's assessment resolution and a true-up agreement to be entered into between the District and the Developer and any assignees.

The owner(s) of the property will be required to immediately remit to the District for redemption a true-up payment equal to the difference between the actual Bond Assessments per ERU and \$47,371.63 multiplied by the actual number of ERUs plus accrued interest to the next succeeding interest payment date on the Bonds, unless such interest payment date occurs within 45 days of such true-up payment, in which case the accrued interest shall be paid to the following interest payment date.

In addition to platting of property within the District, any planned sale of an unplatted land to another builder or developer will cause the District to initiate a true-up test as described above to test whether the amount of the Bond Assessments per ERU for land that remains unplatted remains equal to \$47,371.63. The test will be based upon the development rights as signified by the number of ERUs associated with such parcel that are transferred from seller to buyer. The District shall provide an estoppel or similar document

to the buyer evidencing the amount of Bond Assessments transferred at sale.

## **5.7 Assessment Roll**

The Bond Assessments of \$190,100,000 are proposed to be levied over the area described in Exhibit “A”. Excluding any capitalized interest period, debt service assessments shall be paid in thirty (30) annual principal installments.

## **6.0 Additional Stipulations**

### **6.1 Overview**

Wrathell, Hunt and Associates, LLC was retained by the District to prepare a methodology to fairly allocate the special assessments related to the District’s Capital Improvement Plan. Certain financing, development and engineering data was provided by members of District Staff and/or the Developer. The allocation Methodology described herein was based on information provided by those professionals. Wrathell, Hunt and Associates, LLC makes no representations regarding said information transactions beyond restatement of the factual information necessary for compilation of this report. For additional information on the Bond structure and related items, please refer to the Offering Statement associated with this transaction.

**Wrathell, Hunt and Associates, LLC does not represent the District as a Municipal Advisor or Securities Broker nor is Wrathell, Hunt and Associates, LLC registered to provide such services as described in Section 15B of the Securities and Exchange Act of 1934, as amended. Similarly, Wrathell, Hunt and Associates, LLC does not provide the District with financial advisory services or offer investment advice in any form.**

## **7.0 Appendix**



Table 1

## Edgewater East

### Community Development District

#### Development Plan

Product Type	ED-1 Number of Units	ED-2 Number of Units	ED-3 Number of Units	ED-4 Number of Units	ED-5 Number of Units	ED-6 Number of Units	ED-7 Number of Units	Total Number of Units
Single Family 1*	167	139	0	609	0	487	0	1,402
Single Family 2**	0	139	0	150	219	133	0	641
Multi Family***	310	133	0	350	579	133	0	1,505
<b>Total</b>	<b>477</b>	<b>411</b>	<b>0</b>	<b>1,109</b>	<b>798</b>	<b>753</b>	<b>0</b>	<b>3,548</b>

\* Single Family 1 represents detached products with lot width of 50 ft. or greater

\*\* Single Family 2 represents detached products with lot width of under 50 ft.

\*\*\* Multi Family represents all attached products

Table 2

## Edgewater East

### Community Development District

#### Capital Improvement Program

Improvement	Master Infrastructure Costs	Neighborhood Infrastructure Costs	Total CIP Costs
Roadways	\$27,462,600		\$27,462,600
Stormwater Management	\$11,063,960		\$11,063,960
Utilities (Water, Sewer, Reclaim)	\$11,182,004		\$11,182,004
Hardscape/Landscape/Irrigation/Trails	\$7,905,550		\$7,905,550
Undergrounding of Electrical Conduit	\$7,164,600		\$7,164,600
Environmental Conservation/Mitigation	\$7,500,000		\$7,500,000
Professional Services	\$8,393,254		\$8,393,254
Contingency	\$8,067,197		\$8,067,197
Neighborhood Infrastructure		\$53,220,000	\$53,220,000
<b>Total</b>	<b>\$88,739,165</b>	<b>\$53,220,000</b>	<b>\$141,959,165</b>

Table 3

## Edgewater East

### Community Development District

#### Preliminary Sources and Uses of Funds

	Master Infrastructure Bonds	Neighborhood Infrastructure Bonds	Total Bonds
<b>Sources</b>			
Bond Proceeds:			
Par Amount	\$118,750,000.00	\$71,350,000.00	\$190,100,000.00
<b>Total Sources</b>	<b>\$118,750,000.00</b>	<b>\$71,350,000.00</b>	<b>\$190,100,000.00</b>
<b>Uses</b>			
Project Fund Deposits:			
Project Fund	\$88,739,165.00	\$53,220,000.00	\$141,959,165.00
Other Fund Deposits:			
Debt Service Reserve Fund	\$9,569,635.42	\$5,749,839.89	\$15,319,475.31
Capitalized Interest Fund	\$16,625,000.00	\$9,989,000.00	\$26,614,000.00
Delivery Date Expenses:			
Costs of Issuance	\$3,812,500.00	\$2,390,500.00	\$6,203,000.00
Rounding	\$3,699.58	\$660.11	\$4,359.69
<b>Total Uses</b>	<b>\$118,750,000.00</b>	<b>\$71,350,000.00</b>	<b>\$190,100,000.00</b>

Table 4

## Edgewater East

### Community Development District

#### Master Infrastructure Benefit Allocation

Product Type	Total Number of Units	ERU Weight per Unit	Total ERU	Master Infrastructure Program Cost Allocation
Single Family 1	1,402	1.60	2,243.20	\$49,604,329.71
Single Family 2	641	1.00	641.00	\$14,174,561.05
Multi Family	1,505	0.75	1,128.75	\$24,960,274.24
<b>Total</b>	<b>3,548</b>		<b>4,012.95</b>	<b>\$88,739,165.00</b>

#### Neighborhood Infrastructure Benefit Allocation

Product Type	Total Number of Units	ERU Weight per Unit	Total ERU	Neighborhood Infrastructure Program Cost Allocation
Single Family 1	1,402	1.60	2,243.20	\$29,749,462.12
Single Family 2	641	1.00	641.00	\$8,500,983.07
Multi Family	1,505	0.75	1,128.75	\$14,969,554.82
<b>Total</b>	<b>3,548</b>		<b>4,012.95</b>	<b>\$53,220,000.00</b>

Table 5

## Edgewater East

### Community Development District

#### Bond Assessment Apportionment

Product Type	Total Number of Units	Master Infrastructure Program Cost Allocation	Total Master Bond Assessments Apportionment	Master Bond Assessments Apportionment per Unit	Annual Master Bond Assessments Debt Service per Unit*	Annual Master Bond Assessments Debt Service per Unit**
Single Family 1	1,402	\$49,604,329.71	\$66,380,094.44	\$47,346.72	\$3,815.50	\$4,102.69
Single Family 2	641	\$14,174,561.05	\$18,968,277.70	\$29,591.70	\$2,384.69	\$2,564.18
Multi Family	1,505	\$24,960,274.24	\$33,401,627.85	\$22,193.77	\$1,788.52	\$1,923.14
<b>Total</b>	<b>3,548</b>	<b>\$88,739,165.00</b>	<b>\$118,750,000.00</b>			

\* Principal and interest only - excludes costs of collection and early payment discount allowance

\*\* Included costs of collection and early payment discount allowance

Product Type	Total Number of Units	Neighborhood Infrastructure Program Cost Allocation	Total Neighborhood Bond Assessments Apportionment	Neighborhood Bond Assessments Apportionment per Unit	Annual Neighborhood Bond Assessments Debt Service per Unit*	Annual Neighborhood Bond Assessments Debt Service per Unit**
Single Family 1	1,402	\$29,749,462.12	\$39,883,955.69	\$28,447.90	\$2,292.51	\$2,465.07
Single Family 2	641	\$8,500,983.07	\$11,396,939.91	\$17,779.94	\$1,432.82	\$1,540.67
Multi Family	1,505	\$14,969,554.82	\$20,069,104.40	\$13,334.95	\$1,074.62	\$1,155.50
<b>Total</b>	<b>3,548</b>	<b>\$53,220,000.00</b>	<b>\$71,350,000.00</b>			

\* Principal and interest only - excludes costs of collection and early payment discount allowance

\*\* Included costs of collection and early payment discount allowance

Product Type	Total Number of Units	Total CIP Cost Allocation	Total Bond Assessments Apportionment	Total Bond Assessments Apportionment per Unit	Annual Total Bond Assessments Debt Service per Unit*	Annual Total Bond Assessments Debt Service per Unit**
Single Family 1	1,402	\$79,353,791.83	\$106,264,050.14	\$75,794.61	\$6,108.02	\$6,567.76
Single Family 2	641	\$22,675,544.12	\$30,365,217.61	\$47,371.63	\$3,817.51	\$4,104.85
Multi Family	1,505	\$39,929,829.05	\$53,470,732.25	\$35,528.73	\$2,863.13	\$3,078.64
<b>Total</b>	<b>3,548</b>	<b>\$141,959,165.00</b>	<b>\$190,100,000.00</b>			

\* Principal and interest only - excludes costs of collection and early payment discount allowance

\*\* Included costs of collection and early payment discount allowance

## **Exhibit "A"**

### **CDD PARCEL – 1**

A parcel of land being a portion of the Northeast 1/4 of Section 17, Township 26 South, Range 30 East, Osceola County, Florida, AND Government Lots 1 and 2 of Section 17, Township 26 South, Range 30 East, Osceola County, Florida, LESS AND EXCEPT that portion of Government Lot 1, in Section 17, Township 26 South, Range 30 East, lying Northwesterly of Canal C-31 a/k/a St. Cloud Canal, AND Lots 67, 68, 69, 70, 74, 75, 76, 77, 78, 83, 84, 85, 86, 87, 89, 90, 91, 92, 93, 94, 100, 101, 102, 103, 104, 105, 106, 107, 108, 117, 118, 119, 120, 121, 122, 123 and 124, THE SEMINOLE LAND AND INVESTMENT COMPANY'S (INCORPORATED) SUBDIVISION OF SECTION 17, TOWNSHIP 26 SOUTH, RANGE 30 EAST, as recorded in Plat Book "B", Page 55, Public Records of Osceola County, Florida, and being more particularly described as follows:

Commence at the Northeast corner of said Section 17; thence run N89°41'52"W along the North line of said Section 17, a distance of 1375.99 feet to the Point of Beginning; thence departing said North line, run thence run S00°18'08"W, a distance of 2,641.70 feet to a point on the South line of the Northeast ¼ of said Section 17; thence run S89°40'58"E along said South line, a distance of 84.65 feet; thence departing said South line, run along the Easterly line of the aforesaid Platted Lots the following five (5) courses and distance; thence run S00°34'45"E, a distance of 1,333.22 feet; thence run N89°31'28"W, a distance of 643.27 feet; thence run S00°36'41"E, a distance of 329.96 feet; thence run N89°29'18"W, a distance of 678.18 feet; thence run S00°38'28"E, a distance of 970.25 feet to a point on the North Right of Way line of Clay Whaley Road; thence run N89°30'02"W along said North right of Way line, a distance of 2,405.26 feet to a point on the Meander-Witness line of Lake Tohopekaliga; thence along said Meander-Witness line the following seven (7) courses and distances; thence run N10°10'23"E, a distance of 954.03 feet; thence run N24°40'23"E, a distance of 1,188.07 feet; thence run N58°10'23"E, a distance of 264.02 feet; thence run N54°10'23"E, a distance of 792.05 feet; thence run N38°40'23"E, a distance of 1,188.07 feet; thence run N06°19'37"W, a distance of 330.02 feet; thence run N26°19'37"W, a distance of 1,122.07 feet; thence run N61°49'37"W, a distance of 792.05 feet to a point on the aforesaid North line of Section 17; thence run S89°41'52"E along said North line, a distance of 2,586.89 feet to the Point of Beginning.

Containing 266.3 acres, more or less. (calculated to the Meander-Witness line as shown on the sketch)

Containing 250.5 acres, more or less. (calculated to Elevation 56.5 contour line – Safe Development line of Lake Tohopekaliga)

(these areas also includes platted Right of Ways lying within and adjacent to the boundary of the described parcel that have not been formally vacated)

## CDD PARCEL – 2

A parcel of land being a portion of the Southwest 1/4 of Section 16, Township 26 South, Range 30 East, Osceola County, Florida, and being more particularly described as follows:

Commence at the Southwest corner of said Section 16; thence run N00°31'03"W along the West line of the Southwest 1/4 of said Section 16, a distance of 1328.92 feet to the Point of Beginning; thence continue N00°31'03"W along said West line, a distance of 1,328.82 feet to the Northwest corner of the Southwest 1/4 of said Section 16; thence run S89°35'06"E along the North line of the Southwest 1/4, a distance of 1,258.21 feet to a Point on a non-tangent curve, concave to the Northeast, having a Radius of 6,229.58 feet and a Central Angle of 07°47'11", said point being a point on the Westerly line of property per Stipulated Order of Taking as recorded in Official Records Book 2776, Page 2504, Public Records of Osceola County, Florida; thence along said Westerly line the following seven (7) courses and distances; thence run Southeasterly, along the Arc of said curve, a distance of 846.58 feet (Chord Bearing = S35°19'41"E, Chord = 845.92 feet) to a point; thence run N50°46'44"E, a distance of 298.80 feet; thence run S31°09'21"E, a distance of 340.17 feet to the Point of Curvature of a curve, concave to the Northeast, having a Radius of 2,958.79 feet and a Central Angle of 11°37'31"; thence run Southeasterly, along the Arc of said curve, a distance of 600.34 feet (Chord Bearing = S36°58'07"E, Chord = 599.31 feet) to the Point of Tangency thereof; thence run S42°46'53"E, a distance of 199.38 feet; thence run S11°58'13"W, a distance of 293.39 feet to a Point on a non-tangent curve, concave to the East, having a Radius of 1,296.23 feet and a Central Angle of 00°03'00"; thence run Southerly, along the Arc of said curve, a distance of 1.13 feet (Chord Bearing = S11°18'47"W, Chord = 1.13 feet) to a point on the Westerly line of Road A Connector as recorded in Official Records Book 4249, Page 2879; thence along said Westerly line the following two (2) courses and distances; thence run S23°39'16"W, a distance of 220.82 feet; to the Point of Curvature of a curve, concave to the Northwest, having a Radius of 1,120.00 feet and a Central Angle of 07°52'31"; thence run Southwesterly, along the Arc of said curve, a distance of 153.95 feet (Chord Bearing = S27°35'32"W, Chord = 153.82 feet) to a point on the South line of Pond 9 as recorded in Official Records Book 4249, Page 2879; thence along said South line the following two (2) courses and distances; thence run S89°36'48"W, a distance of 116.36 feet; thence run N50°13'38"W, a distance of 249.11 feet to a point on the North line of the South 19.6176 acres of the Southeast 1/4 of the Southwest 1/4 of said Section 16; thence run N89°36'17"W along said North line, a distance of 655.87 feet to a point on the East line of Road A Segment 1 as recorded in Official Records Book 4249, Page 2879; thence run N00°21'47"W along said East line, a distance of 551.30 feet to a point on the South line of the North 1/2 of the Southwest 1/4 of said Section 16; thence run N89°35'57"W along said South line, a distance of 1,450.60 feet to the Point of Beginning.

Containing 3,198,081.98 square feet or 73.418 acres, more or less

### CDD PARCEL – 3

A parcel of land being the East ¼ of the Northwest 1/4 of the Northwest ¼ of Section 21, Township 26 South, Range 30 East, Osceola County, Florida, AND Lots 5, 11, 12, 21, 22, 27, 28, 37, 38, 39, 40, 41, 42, 43, 44, 53, 54, 55, 56, 57, 58, 59, 60, 69, 70, 71, 72, 73, 74, 88, 89, 90, 104, 105, 106, 108, 117, 118, 119, 123 and a portion of Lots 6, 87, and 122, THE SEMINOLE LAND AND INVESTMENT COMPANY'S (INCORPORATED) SUBDIVISION OF SECTION 21, TOWNSHIP 26 SOUTH, RANGE 30 EAST, as recorded in Plat Book "B", Page 8, Public Records of Osceola County, Florida, and being more particularly described as follows:

Begin at the Northeast corner of said Lot 5, said point being a point on the West Right of Way line of Kissimmee Park Road (State Road 525); thence along said West Right of Way line the following two (2) courses and distances; thence run S00°20'10"E, a distance of 2,619.93 feet; thence run S00°19'41"E, a distance of 329.00 feet; thence departing said West Right of Way line, run N89°41'51"W, a distance of 1,284.08 feet; thence run S00°17'29"E, a distance of 409.30 feet to a point on the Easterly extension of the North line of Well Site #3 as recorded in Official Records Book 3040, Page 35, Public Records of Osceola County, Florida; thence along the boundary of said Well Site #3 the following three (3) courses and distances; thence run N89°45'24"W, a distance of 285.03 feet; thence run S00°17'29"E, a distance of 250.03 feet; thence run S89°45'24"E, a distance of 285.03 feet; thence run S00°17'29"E, a distance of 329.66 feet; thence run N89°47'10"W, a distance of 677.35 feet; thence run S00°16'23"E, a distance of 330.01 feet; thence run S89°48'56"E, a distance of 677.45 feet; thence run S00°17'29"E, a distance of 329.66 feet; thence run S89°50'42"E, a distance of 642.55 feet; thence run N00°18'35"W, a distance of 329.33 feet; thence run S89°48'56"E, a distance of 642.45 feet to a point on the aforesaid West Right of Way line of Kissimmee Park Road; thence run S00°19'41"E along said West Right of Way line, a distance of 658.00 feet; thence departing said West Right of Way line, run N89°52'28"W, a distance of 642.65 feet; thence run S00°18'35"E, a distance of 309.33 feet to a point on the North Right of Way line of Kissimmee Park Road; thence run N89°54'14"W along said North Right of Way line, a distance of 1,070.48 feet to point on the boundary of Well Site #1, as recorded in Official Records Book 3040, Page 13, Public Records of Osceola County, Florida; thence along said boundary the following two (2) courses and distances; thence run N00°16'23"W, a distance of 250.02 feet; thence run N89°54'14"W, a distance of 250.02 feet; thence run N00°16'23"W, a distance of 390.00 feet; thence run N89°50'42"W, a distance of 660.05 feet; thence run N00°15'17"W, a distance of 2,644.75 feet; thence run S89°30'15"E, a distance of 20.00 feet; thence run N00°15'17"W, a distance of 660.08 feet; thence run S89°37'37"E, a distance of 968.46 feet; thence run N00°17'07"W, a distance of 1,299.70 feet to a point on the South Right of Way line of Clay Whaley Road; thence run S89°36'17"E along said South Right of Way line, a distance of 329.27 feet to a point on the boundary of Road A Segment 1 and Road A Connector as recorded in Official Records Book 4249, Page 2879, Public Records of Osceola County, Florida; thence along said boundary the following four (4) courses and distances; thence run S00°21'47"E, a distance of 70.01 feet; thence run S89°36'17"E, a distance of 130.01 feet; thence run N00°21'47"W, a distance of 10.01 feet to a Point on a non-tangent curve, concave to the North, having a Radius of 1,280.00 feet and a Central Angle of 17°22'39"; thence run Easterly, along the Arc of said curve, a distance of 388.22 feet (Chord Bearing = N81°28'18"E, Chord = 386.73

feet) to a point on the aforesaid South Right of Way line of Clay Whaley Road; thence run S89°36'17"E along said South Right of Way line, a distance of 786.67 feet to the Point of Beginning.

Containing 218.579 acres, more or less.

(these areas also include platted Right of Ways lying within and adjacent to the boundary of the described parcel that have not been formally vacated)

#### **CDD PARCEL – 4**

A parcel of land being a portion of the Southeast  $\frac{1}{4}$  of Section 16, Township 26 South, Range 30 East, Osceola County, Florida, AND Lots 3, 14, 19, 30, 31, 34, 35, 46, 47, 49, 50, 51, 61, 62, 64, 65, 66, 67, 68, 78, 79, 80, 81, 82, 83, 94, 95, 96, 97, 98, 99, 111, 112, 113, 114, 125, 126, 127 and 128 and a portion of Lots 2, 15, 17, 18, 32, 33, 48, and 52, THE SEMINOLE LAND AND INVESTMENT COMPANY'S (INCORPORATED) SUBDIVISION OF SECTION 21, TOWNSHIP 26 SOUTH, RANGE 30 EAST, as recorded in Plat Book "B", Page 8, Public Records of Osceola County, Florida, AND a portion of Lots 41, 56, 57, 72, 73, 88, 89, 104, 105, and 120, THE SEMINOLE LAND AND INVESTMENT COMPANY'S (INCORPORATED) SUBDIVISION OF SECTION 22, TOWNSHIP 26 SOUTH, RANGE 30 EAST, as recorded in Plat Book "B", Page 9, Public Records of Osceola County, AND Lots 25, 40, 41, 56, 57, 72, 73, 88, 89, 104 and a portion of Lots 26, 39, 42, 55, 58, 71, 74, 87, 90, 103 and 106, THE SEMINOLE LAND AND INVESTMENT COMPANY'S (INCORPORATED) SUBDIVISION OF SECTION 27, TOWNSHIP 26 SOUTH, RANGE 30 EAST, as recorded in Plat Book "B", Page 14, Public Records of Osceola County, AND Lots 4, 6, 7, 10, 11, 13, 20, 21, 22, 23, 26, 27, 28, 29, 30, 35, 35, 37, 38, 39, 42, 43, 44, 45, 46, 50, 51, 52, 53, 54, 55, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, 103, 106, 109, 110, 111, and 112 and a portion of Lots 5 and 12, THE SEMINOLE LAND AND INVESTMENT COMPANY'S (INCORPORATED) SUBDIVISION OF SECTION 28, TOWNSHIP 26 SOUTH, RANGE 30 EAST, as recorded in Plat Book "B", Page 15, Public Records of Osceola County, and being more particularly described as follows:

Begin at the Northeast corner of Section 28, Township 26 South, Range 30 East; thence run N89°57'03"W, a distance of 1,979.45 feet; thence run S00°03'01"E, a distance of 995.36 feet; thence run S89°52'30"E, a distance of 659.61 feet; thence run S00°02'15"E, a distance of 996.23 feet; thence run S89°47'57"E, a distance of 659.39 feet; thence run S00°01'29"E, a distance of 332.37 feet; thence run S89°46'26"E, a distance of 659.32 feet; thence run N00°00'43"W, a distance of 1,330.57 feet; thence run S89°14'16"E, a distance of 808.08 feet to a point on the West Right of Way line of the Florida's Turnpike; thence run S07°25'37"E along said West Right of Way line, a distance of 3,685.90 feet; thence departing said West Right of Way line, run N89°43'24"W, a distance of 618.61 feet; thence run N00°04'06"W, a distance of 332.21 feet; thence run N89°39'17"W, a distance of 664.77 feet; thence run N89°28'39"W, a distance of 20.00 feet; thence run S00°00'43"E, a distance of 332.64 feet; thence run N89°25'23"W, a distance of 2,615.32 feet; thence run N89°48'21"W, a distance of 17.50 feet;

thence run N00°03'47"W, a distance of 660.33 feet; thence run N89°47'13"W, a distance of 1,285.54 feet; thence run S00°03'46"E, a distance of 660.76 feet; thence run N89°48'21"W, a distance of 677.77 feet; thence run N00°03'46"W, a distance of 1,982.96 feet; thence continue N00°03'46"W along said line, a distance of 2,626.62 feet to a point on the South Right of Way line of Kissimmee Park Road; thence run S89°54'14"E along said South Right of Way line, a distance of 1,320.51 feet to a point on the boundary of the Water Plant Site as recorded in Official Records Book 3040, Page 46, Public Records of Osceola County, Florida; thence along said boundary of said Water Plant Site the following four (4) courses and distances; thence run S00°02'06"E, a distance of 410.68 feet; thence run S89°54'07"E, a distance of 460.85 feet; thence run N57°33'43"E, a distance of 215.39 feet; thence run N00°01'33"W, a distance of 294.86 feet to a point on the aforesaid Right of Way of Kissimmee Park Road; thence along said Right of Way the following two (2) courses and distances; thence run S89°54'14"E, a distance of 35.11 feet; thence run N00°19'41"W, a distance of 349.01 feet; thence departing said Right of Way, run S89°56'02"E, a distance of 1,302.46 feet; thence run N00°16'26"W, a distance of 657.21 feet; thence run N89°54'02"W, a distance of 660.30 feet; thence run N00°18'04"W, a distance of 1,315.19 feet; thence run N89°50'01"W, a distance of 643.42 feet to a point on the East Right of Way of Kissimmee Park Road; thence along said East Right of Way the following two (2) courses and distances; thence run N00°19'41"W, a distance of 328.99 feet; thence run N00°20'10"W, a distance of 409.93 feet to a point on the boundary of Well Site #2 as recorded in Official Records Book 3040, Page 24, Public Records of Osceola County, Florida; thence along said boundary the following two (2) courses and distances; thence run S89°44'21"E, a distance of 250.03 feet; thence run N00°20'10"W, a distance of 250.03 feet; thence run S89°44'21"E, a distance of 393.83 feet; thence run N00°18'45"W, a distance of 1,957.22 feet; thence run N48°59'04"E, a distance of 30.18 feet; thence run N00°11'18"W, a distance of 330.04 feet; thence run N89°30'18"W, a distance of 667.59 feet to a point on the East right of Way line of Kissimmee Road; thence run N00°11'18"W, a distance of 146.08 feet to a point on the Right of Way for the Florida's Turnpike; thence along said Right of Way the following seven (7) courses and distances; thence run N89°36'48"E, a distance of 72.12 feet; thence run N00°23'12"W, a distance of 98.77 feet; to the Point of Curvature of a curve, concave to the East, having a Radius of 1,055.93 feet and a Central Angle of 24°02'29"; thence run Northerly, along the Arc of said curve, a distance of 443.07 feet (Chord Bearing = N11°38'03"E, Chord = 439.83 feet) to the Point of Tangency thereof; thence run N23°39'18"E, a distance of 28.83 feet; thence run S50°40'48"E, a distance of 610.80 feet; to the Point of Curvature of a curve, concave to the Southwest, having a Radius of 5,604.58 feet and a Central Angle of 03°51'08"; thence run Southeasterly, along the Arc of said curve, a distance of 376.82 feet (Chord Bearing = S48°45'14"E, Chord = 376.75 feet) to a point; thence run S42°46'53"E, a distance of 1,089.11 feet; to the Point of Curvature of a curve, concave to the Southwest, having a Radius of 5,529.58 feet and a Central Angle of 35°21'16"; thence run Southeasterly, along the Arc of said curve, a distance of 3,412.05 feet (Chord Bearing = S25°06'15"E, Chord = 3,358.17 feet) to the Point of Tangency thereof; thence run S07°25'37"E, a distance of 1,525.20 feet; thence departing said Right of Way, run N89°06'39"W, a distance of 636.55 feet; thence run S00°12'52"E, a distance of 328.22 feet to the Point of Beginning..

Containing 726.418 acres, more or less.



Note: Lot 63, THE SEMINOLE LAND AND INVESTMENT COMPANY'S (INCORPORATED) SUBDIVISION OF SECTION 21, TOWNSHIP 26 SOUTH, RANGE 30 EAST, as recorded in Plat Book "B", Page 8, Public Records of Osceola County, Florida, is NOT INCLUDED from the interior of the above described parcel.

(this area also includes platted Right of Ways lying within and adjacent to the boundary of the described parcel that have not been formally vacated)

**FOR A TOTAL ACREAGE OF: 1,284.715**

# EDGEWATER EAST COMMUNITY DEVELOPMENT DISTRICT

Preliminary Third Supplemental Special Assessment  
Methodology Report for Assessment Area Three

May 22, 2025



Provided by:

**Wrathell, Hunt and Associates, LLC**

2300 Glades Road, Suite 410W

Boca Raton, FL 33431

Phone: 561-401-0010

Fax: 561-401-0013

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

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## **1.0 Introduction**

### **1.1 Purpose**

This Preliminary Third Supplemental Special Assessment Methodology Report for Assessment Area Three (the “Third Supplemental Report”) was developed to supplement the Master Special Assessment Methodology Report (the “Master Report”) dated August 26, 2020 and to provide a supplemental financing plan and a supplemental special assessment methodology for the Assessment Area Three Project Area (defined later herein) (also known as “ED-6S (or ED-6 South)” (“Assessment Area Three”)) portion of the Edgewater East Community Development District (the “District”). The District is located within the City of St. Cloud, Osceola County, Florida. This Third Supplemental Report was developed in relation to funding by the District of a portion of the costs of Master Infrastructure contemplated to be provided by the District (the “Assessment Area Three Project”).

### **1.2 Scope of the Third Supplemental Report**

This Third Supplemental Report presents the projections for financing a portion of the District's public infrastructure improvements (the “CIP”) as described in the Supplemental Engineer's Report for Assessment Area 3 (ED-6S) for the Edgewater East Community Development District prepared by Hanson, Walter & Associates, Inc. (the “District Engineer”) dated January 9, 2025 (the “Engineer's Report”). This Third Supplemental Report also describes the method for the allocation of special benefits and the apportionment of special assessment debt resulting from the provision and funding of a portion of the Assessment Area Three Project with proceeds of indebtedness projected to be issued by the District.

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

The public infrastructure improvements undertaken and funded by the District as part of the Assessment Area Three Project create special and peculiar benefits, different in kind and degree than general benefits, for properties within the District as well as general benefits to properties outside the District and to the public at large. However, as discussed within this Third Supplemental Report, these general benefits are incidental in nature and are readily distinguishable from the special and peculiar benefits which accrue to property within the District. The District's Assessment Area Three Project enables properties within the District, including Assessment Area Three, to be developed.

There is no doubt that the general public and property owners of property outside the District will benefit from the provision of the Assessment Area Three Project. However, these benefits are only incidental since the Assessment Area Three Project is designed solely to provide special benefits peculiar to property within the District. Properties outside the District are not directly served by the Assessment Area Three Project and do not depend upon the Assessment Area Three Project to obtain or to maintain their development entitlements. This fact alone clearly distinguishes the special benefits which Assessment Area Three properties receive compared to those lying outside of the boundaries of the District.

The Assessment Area Three Project will provide public infrastructure improvements which are all necessary in order to make the lands within the District and Assessment Area Three developable and saleable. Even though the exact value of the benefits provided by the Assessment Area Three Project is hard to estimate at this point, it is nevertheless greater than the costs associated with providing the same.

#### **1.4 Organization of the Third Supplemental Report**

*Section Two* describes the development program as proposed by the Developer, as defined below.

*Section Three* provides a summary of the Assessment Area Three Project as determined by the District Engineer.

*Section Four* discusses the financing program for Assessment Area Three.

*Section Five* introduces the special assessment methodology for Assessment Area Three.

### **2.0 Development Program**

#### **2.1 Overview**

The District will serve the Edgewater development, a master planned, mixed-use development located within the City of St. Cloud, Osceola County, Florida. The land within the District consists of approximately 1,390.079 +/- acres and is generally located west of the Florida's Turnpike and east of Lake Tohopekaliga. Of the aforementioned acreage, Assessment Area Three accounts for approximately 286.8 +/- acres.

## **2.2 The Development Program**

The development of Edgewater is anticipated to be conducted by Edgewater Property Holdings Florida, LLC or an affiliated entity (the "Developer"). Based upon the information provided by the Developer and the District Engineer, the current development plan for Assessment Area Three envisions 347 Single Family 1 units, 109 Single Family 2 units, and 223 Multi Family units for a total of 679 residential units, although unit numbers, land use types and phasing may change throughout the development period. Table 1 in the *Appendix* illustrates the development plan for the Assessment Area Three within the District.

## **3.0 The Capital Improvement Program**

### **3.1 Overview**

The public infrastructure costs to be funded by the District are described by the District Engineer in the Engineer's Report. Only public infrastructure that may qualify for bond financing by the District under Chapter 190, Florida Statutes and under the Internal Revenue Code of 1986, as amended, was included in these estimates.

### **3.2 The CIP**

The Assessment Area Three Project comprises a portion of the CIP for the District and is designed to serve and will benefit, upon platting, the 685 residential dwelling units that are projected to be developed within Assessment Area Three. According to the Engineer's Report, the CIP is composed of roadways (Includes traffic signal and box culvert), right of way acquisition, stormwater management, utilities (water, sewer, reclaim), hardscape/ landscape/ irrigation/ trails, undergrounding of conduit, and environmental conservation/ mitigation, the costs of which, along with contingencies and professional services, were estimated by the District Engineer at \$23,870,000. The public infrastructure improvements that comprise the Capital Improvement Plan will serve and provide benefit to all land uses in the District and will comprise an integrated system of improvements, which means all of improvements will serve the entire District and improvements will be interrelated such that they will reinforce one another. Table 2 in the *Appendix* illustrates the specific components of the Capital Improvement Plan.

## **4.0 Financing Program**

### **4.1 Overview**

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

### **4.2 Types of Bonds Proposed**

The financing plan for the District provides for the issuance of the Special Assessment Revenue Bonds, Series 2025 (Assessment Area Three) in the estimated principal amount of \$9,625,000\* to finance a portion of the Assessment Area Three Project costs in the estimated total amount of \$8,267,796.90\*. It is anticipated that any costs of the Assessment Area Three Project which are not funded by the Series 2025 Bonds will be completed or funded by the Developer or by future bonds. The Series 2025 Bonds are structured to be amortized in 30 annual installments. Interest payments on the Series 2025 Bonds would be made every May 1 and November 1, and principal payments on the Series 2025 Bonds would be made either every May 1 or November 1.

In order to finance a portion of the costs of the Assessment Area Three Project in the estimated total amount of \$8,267,796.90\*, the District will need to borrow more funds and incur indebtedness in the estimated principal amount of \$9,625,000\*. The difference is composed of funding a debt service reserve, funding capitalized interest and paying costs of issuance, which include the underwriter's discount. Preliminary sources and uses of funding for the Series 2025 Bonds are presented in Table 3 in the *Appendix*.

## **5.0 Assessment Methodology**

### **5.1 Overview**

The issuance of the Series 2025 Bonds provides the District with funds necessary to construct/acquire the infrastructure

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\* Preliminary, subject to change.

improvements which are part of the Assessment Area Three Project outlined in *Section 3.2* and described in more detail by the District Engineer in the Engineer's Report. These improvements lead to special and general benefits, with special benefits accruing to the assessable properties within the boundaries of the District and Assessment Area Three and general benefits accruing to areas outside the District but being only incidental in nature. The debt incurred in financing the public infrastructure will be secured by assessing properties that derive special and peculiar benefits from the Assessment Area Three Project. All properties that receive special benefits from the Assessment Area Three Project will ultimately be assessed for their fair share of the debt issued in order to finance a portion of the Assessment Area Three Project.

## **5.2 Benefit Allocation**

The current development plan for Assessment Area Three envisions 347 Single Family 1 units, 109 Single Family 2 units, and 223 Multi Family units for a total of 679 residential units, although unit numbers, land use types and phasing may change throughout the development period.

The public infrastructure included in the Capital Improvement Plan will comprise an interrelated system of master improvements, which means that all of the public infrastructure improvements will serve the entire District and such public improvements will be interrelated in such way that, once constructed, they will reinforce each other and their combined benefit will be greater than the sum of their individual benefits. All of the product types within the District will benefit from each infrastructure improvement category, as the improvements provide basic infrastructure to all product types and all phases of development within the District and benefit all product types in all phases within the District as an integrated system of improvements.

Even though all of the infrastructure included in the Capital Improvement Plan will constitute an interrelated system of public improvements, the public infrastructure improvements consist of two (2) infrastructure construction projects. The CIP, consists of that portion of the overall Capital Improvement Plan that is necessary for the development of land within Assessment Area Three and the District.

As stated previously, the public infrastructure improvements included in the Capital Improvement Plan have a logical connection to the special and peculiar benefits received by the assessable land within the District, as without such improvements, the development of the properties within the District would not be possible. Based upon the connection between the improvements and the special and peculiar



benefits to the assessable land within Assessment Area Three and within the District, the District will assign or allocate a portion of the District's debt through the imposition of non-ad valorem assessments, to the land receiving such special and peculiar benefits. Even though these special and peculiar benefits are real and ascertainable, the precise amount of the benefit cannot yet be calculated with mathematical certainty. However, such benefit is more valuable than the assessment related to the financed cost of constructing the improvements.

In following the Master Report, this Third Supplemental Report proposes to allocate the benefit associated with the Capital Improvement Plan to the product types proposed to be developed within Assessment Area Three in proportion to their density of development and intensity of use of infrastructure as measured by a standard unit called an Equivalent Residential Unit ("ERU"). Table 4 in the *Appendix* illustrates the ERU weights that are proposed to be assigned to the unit types contemplated to be developed within Assessment Area Three based on the densities of development and the intensities of use of infrastructure, total ERU counts for each unit type, and the share of the benefit received by each unit type.

The rationale behind the different ERU values is supported by the fact that generally and on average units with smaller lot sizes will use and benefit from the improvements which are part of the Capital Improvement Plan less than units with larger lot sizes, as, for instance, generally and on average units with smaller lot sizes will produce less storm water runoff, may produce fewer vehicular trips, and may need less water/sewer capacity than units with larger lot sizes. As the exact amount of the benefit and appreciation is not possible to be calculated at this time, the use of ERU measures serves as a reasonable approximation of the relative amount of benefit received by representatives of different unit types from the Capital Improvement Plan.

Based on the ERU benefit allocation illustrated in Table 4. Table 5 in the *Appendix* presents the allocation of the amount of Capital Improvement Plan costs allocated to Assessment Area Three to the various unit types proposed to be developed in Assessment Area Three based on the ERU benefit allocation factors present in Table 4. Further, Table 5 illustrates the approximate costs that are projected to be financed with the Series 2025 Bonds, and the approximate costs of the portion of the Assessment Area Three Project costs allocable to Assessment Area Three to be contributed by the Developer or funded with future bonds. With the Series 2025

Bonds funding an estimated \$8,267,796.90\* in costs of the Assessment Area Three Project, the Developer or future bonds is anticipated to fund improvements valued at an estimated \$15,602,203.10\* which will not be funded with proceeds of the Series 2025 Bonds. Finally, Table 6 in the *Appendix* present the apportionment of the non-ad valorem special assessments securing the Series 2025 Bonds (herein, the “Series 2025 Bond Assessments”) and also present the annual levels of the projected annual debt service assessments per unit.

***Amenities*** - It is our understanding that all amenities planned for the community will either be “common elements” or owned by the District. No Series 2025 Bond Assessments will be allocated herein to any platted amenities or other platted common areas planned for the development that meet the definition of “common element” in Section 193.0235, Florida Statutes. If the amenities are owned by the District, then they would be governmental property not subject to the Series 2025 Bond Assessments and would be open to the general public, subject to District rules, rates and policies. Should the District discover that a privately-owned amenity has been developed within Assessment Area Three which does not meet the definition of a “common element” in Section 193.0235, Florida Statutes, further assessment proceedings will be necessary to reallocate assessments to such parcel.

***Governmental Property*** - If at any time, any portion of the property contained in the District is proposed to be sold or otherwise transferred to a unit of local, state, or federal government or similar exempt entity (without consent of such governmental unit or similarly exempt entity to the imposition of Series 2025 Bond Assessments thereon), all future unpaid Series 2025 Bond Assessments for such tax parcel shall become due and payable immediately prior to such transfer.

### **5.3 Assigning Debt**

As the land in the District is not yet platted for its intended final use and the precise location of the residential units by lot or parcel is unknown, the Series 2025 Bond Assessments will initially be levied on all developable lands in Assessment Area Three on an equal pro-rata gross acre basis, thus the Series 2025 Bond Assessments in the estimated amount of \$9,625,000\* will be preliminarily levied on approximately 286.8 +/- gross acres contained within Assessment Area Three (the “Series 2025 Bonds Assessment Area”) at a rate of \$33,559.97\* per acre.

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\* Preliminary, subject to change.

When the land in Assessment Area Three is platted, the Series 2025 Bond Assessments will be allocated to each platted parcel within Assessment Area Three on a first platted-first assigned basis based on the planned use for that platted parcel as reflected in Table 6 in the *Appendix*. Such allocation of the Series 2025 Bond Assessments from unplatted gross acres to platted parcels will reduce the amount of the Series 2025 Bond Assessments levied on unplatted gross acres within Assessment Area Three.

***Transferred Property.*** In the event unplatted land within Assessment Area Three is sold to a third party (the “Transferred Property”), the Series 2025 Bond Assessments will be assigned to such Transferred Property at the time of the sale based on the maximum total number of ERUs (as herein defined) assigned by the Developer to that Transferred Property, subject to review by the District’s methodology consultant, to ensure that any such assignment is reasonable, supported by current development rights and plans, and otherwise consistent with this Third Supplemental Report. The owner of the Transferred Property will be responsible for the total Series 2025 Bond Assessments applicable to the Transferred Property, regardless of the total number of ERUs ultimately actually platted. This total Series 2025 Bond Assessment is allocated to the Transferred Property at the time of the sale.

#### **5.4 Lienability Test: Special and Peculiar Benefit to the Property**

As first discussed in *Section 1.3*, Special Benefits and General Benefits, public infrastructure improvements undertaken by the District create special and peculiar benefits to certain properties within the District. The District’s improvements benefit assessable properties within the District and accrue to all such assessable properties on an ERU basis.

Public infrastructure improvements undertaken by the District can be shown to be creating special and peculiar benefits to the property within the District. The special and peculiar benefits resulting from each improvement include, but are not limited to:

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

The public infrastructure improvements which are part of the Capital Improvement Plan make the land in the District developable and

saleable and when implemented jointly as parts of the Capital Improvement Plan, provide special and peculiar benefits which are greater than the benefits of any single category of improvements. These special and peculiar benefits are real and ascertainable, but not yet capable of being calculated and assessed in terms of numerical value; however, such benefits are more valuable than either the cost of, or the actual assessment levied for, the improvement or debt allocated to the parcel of land.

### **5.5 Lienability Test: Reasonable and Fair Apportionment of the Duty to Pay**

A reasonable estimate of the proportion of special and peculiar benefits received from the improvements is delineated in Table 4 (expressed as ERU factors) in the *Appendix*.

The apportionment of the Series 2025 Bond Assessments is fair and reasonable because it was conducted on the basis of consistent application of the methodology described in *Section 5.2* across all assessable property within Assessment Area Three within the District according to reasonable estimates of the special and peculiar benefits derived from the Assessment Area Three Project by different unit types.

### **5.6 True-Up Mechanism**

The District's assessment program is predicated on the development of lots in a manner sufficient to include all of the planned Equivalent Residential Units ("ERUs") as set forth in Table 4 in the Appendix ("Development Plan"). At such time as lands within Assessment Area Three are to be platted (or re-platted) or site plans are to be approved (or re-approved), the plat or site plan (either, herein, "Proposed Plat") shall be presented to the District for a "true-up" review as follows:

- a. If a Proposed Plat results in the same amount of ERUs (and thus Series 2025 Bond Assessments) able to be imposed on the "Remaining Unplatted Lands" (i.e., those remaining unplatted lands after the Proposed Plat is recorded) as compared to what was originally contemplated under the Development Plan, then the District shall allocate the Series 2025 Bond Assessments to the product types being platted and the remaining property in accordance with this Third Supplemental Report, and cause the Series 2025 Bond Assessments to be recorded in the District's improvement lien book.

b. If a Proposed Plat results in a greater amount of ERUs (and thus Series 2025 Bond Assessments) able to be imposed on the Remaining Unplatted Lands as compared to what was originally contemplated under the Development Plan, then the District may undertake a pro rata reduction of Series 2025 Bond Assessments for all assessed properties within Assessment Area Three, may allocate additional ERUs/ densities for a future bond financing, or may otherwise address such net decrease as permitted by law.

c. If a Proposed Plat results in a lower amount of ERUs (and thus Series 2025 Bond Assessments) able to be imposed on the Remaining Unplatted Lands as compared to what was originally contemplated under the Development Plan, then the District shall require the landowner(s) of the lands encompassed by the Proposed Plat to pay a "True-Up Payment" equal to the difference between: (i) the Series 2025 Bond Assessments originally contemplated to be imposed on the lands subject to the Proposed Plat, and (ii) the Series 2025 Bond Assessments able to be imposed on the lands subject to the Proposed Plat, after the Proposed Plat (plus applicable interest, collection costs, penalties, etc.).

With respect to the foregoing true-up analysis, the District's Assessment Consultant, in consultation with the District Engineer and District Counsel, shall determine in their sole discretion what amount of ERUs (and thus Series 2025 Bond Assessments) are able to be imposed on the Remaining Unplatted Lands, taking into account a Proposed Plat, by reviewing: a) the original, overall Development Plan showing the number and type of units reasonably planned for the development, b) the revised, overall development plan showing the number and type of units reasonably planned for the development, c) proof of the amount of entitlements for the Remaining Unplatted Lands, d) evidence of allowable zoning conditions that would enable those entitlements to be placed in accordance with the revised Development Plan, and e) documentation that shows the feasibility of implementing the proposed Development Plan. Prior to any decision by the District not to impose a true-up payment, a supplemental methodology shall be produced demonstrating that there will be sufficient Series 2025 Bond Assessments to pay debt service on the Series 2025 Bond Assessments and the District will conduct new proceedings under Chapters 170, 190 and 197, Florida Statutes upon the advice of District Counsel.

Any True-Up Payment shall become due and payable that tax year by the landowner of the lands subject to the Proposed Plat, shall be in addition to the regular assessment installment payable for such

lands, and shall constitute part of the debt assessment liens imposed against the Proposed Plat property until paid. A True-Up Payment shall include accrued interest on the Series 2025 Bond Assessments to the quarterly interest payment date that occurs at least 45 days after the True-Up Payment (or the second succeeding quarterly interest payment date if such True-Up Payment is made within forty-five (45) calendar days before a quarterly interest payment date (or such other time as set forth in the supplemental indentures for the applicable bond series)).

All Series 2025 Bond Assessments levied run with the land, and such assessment liens include any True-Up Payments. The District will not release any liens on property for which True-Up Payments are due, until provision for such payment has been satisfactorily made. Further, upon the District's review of the final plat for the developable acres within Assessment Area Three, any unallocated Series 2025 Bond Assessments shall become due and payable and must be paid prior to the District's approval of that plat. This true-up process applies for both plats and/or re-plats.

Such review shall be limited solely to the function and the enforcement of the District's assessment liens and/or true-up agreements. Nothing herein shall in any way operate to or be construed as providing any other plat approval or disapproval powers to the District. For further detail on the true-up process, please refer to the applicable assessment resolution(s).

## **5.7 Assessment Roll**

The Series 2025 Bond Assessments in the estimated amount of \$9,625,000\* are proposed to be levied over the area described in Exhibit "A". Excluding any capitalized interest period, debt service assessments shall be paid in no more than thirty (30) annual principal installments.

## **6.0 Additional Stipulations**

### **6.1 Overview**

Wrathell, Hunt and Associates, LLC was retained by the District to prepare a methodology to fairly allocate the special assessments related to the District's Capital Improvement Plan. Certain financing, development and engineering data was provided by members of District Staff, the District Engineer and/or the Developer. The

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\* Preliminary, subject to change.

allocation methodology described herein was based on information provided by those professionals. Wrathell, Hunt and Associates, LLC makes no representations regarding said information transactions beyond restatement of the factual information necessary for compilation of this Third Supplemental Report. For additional information on the bond structure and related items, please refer to the Offering Statement associated with this transaction.

**Wrathell, Hunt and Associates, LLC does not represent the District as a Municipal Advisor or Securities Broker nor is Wrathell, Hunt and Associates, LLC registered to provide such services as described in Section 15B of the Securities Exchange Act of 1934, as amended. Similarly, Wrathell, Hunt and Associates, LLC does not provide the District with financial advisory services or offer investment advice in any form.**

## 7.0 Appendix

Table 1

### Edgewater East

#### Community Development District

##### Development Plan -Assessment Area Three

Product Type	Total Assessment Area Three Number of Units
Single Family 1*	347
Single Family 2**	109
Multi Family***	223
<b>Total</b>	<b>679</b>

\* Single Family 1 represents detached products with lot width of 50 ft. or greater

\*\* Single Family 2 represents detached products with lot width of under 50 ft.

\*\*\* Multi Family represents all attached products

Table 2

### Edgewater East

#### Community Development District

##### Assessment Area Three CIP

Improvement	Total Assessment Area Three CIP Costs
Roadways (Includes traffic signal and box culvert)	\$7,000,000
Right of Way Acquisition	\$500,000
Stormwater Management	\$2,800,000
Utilities (Water, Sewer, Reclaim)	\$2,800,000
Hardscape/Landscape/Irrigation/Trails	\$3,200,000
Undergrounding of Conduit	\$2,200,000
Environmental Conservation/Mitigation	\$800,000
Professional Services	\$2,400,000
Contingency (10%)	\$2,170,000
<b>Total</b>	<b>\$23,870,000</b>



Table 3

## Edgewater East

### Community Development District

## Preliminary Sources and Uses of Funds

Series 2025

Sources

Bond Proceeds:

Par Amount

\$9,625,000.00

**Total Sources****\$9,625,000.00**Uses

Project Fund Deposits:

Project Fund

\$8,267,796.90

Other Fund Deposits:

Debt Service Reserve Fund

\$699,078.10

Capitalized Interest Fund

\$240,625.00

Delivery Date Expenses:

Costs of Issuance

\$417,500.00

**Total Uses****\$9,625,000.00**Financing Assumptions

Coupon Rate: 6.0%

Capitalized Interest Period: 5 months

Term: 30 Years

Underwriter's Discount: 2%

Cost of Issuance: \$225,000

Table 4

## Edgewater East

### Community Development District

## Benefit Allocation - Assessment Area Three Project

Product Type	Total Assessment Area Three Number of Units	ERU Weight per Unit	Total ERU Assessment Area Three	Assessment Area Three CIP Cost Allocation
Single Family 1	353	1.60	564.80	\$16,029,696.21
Single Family 2	109	1.00	109.00	\$3,093,549.73
Multi Family	223	0.75	167.25	\$4,746,754.06
<b>Total</b>	<b>685</b>		<b>841.05</b>	<b>\$23,870,000.00</b>

Table 5

## Edgewater East

### Community Development District

## Cost Allocation - Assessment Area Three Project

Product Type	Total Assessment Area Three Number of Units	Assessment Area Three Project Cost Allocation*	Total Assessment Area Three Project Costs Financed with Bonds	Assessment Area Three Project Costs Contributed by the Developer**
Single Family 1	347	\$15,939,171.33	\$5,027,240.54	\$10,911,930.78
Single Family 2	109	\$3,129,268.15	\$1,263,329.61	\$1,865,938.53
Multi Family	223	\$4,801,560.53	\$1,977,226.74	\$2,824,333.78
<b>Total</b>	<b>679</b>	<b>\$23,870,000.00</b>	<b>\$8,267,796.90</b>	<b>\$15,602,203.10</b>

\* Please note that cost allocations to units herein are based on the ERU benefit allocation illustrated in Table 4

\*\* Or paid with revenues from the sale of impact fee credits or mobility fee credits

Table 6

## Edgewater East

### Community Development District

#### Bond Assessment Apportionment - Assessment Area Three

Product Type	Total Assessment Area Three Number of Units	Assessment Area Three Project Cost Allocation*	Total Series 2025 Bond Assessment Apportionment	Series 2025 Bond Assessments Apportionment per Unit	Maximum Annual Principal and Interest Payment per Unit**
Single Family 1	347	\$15,939,171.33	\$5,852,488.98	\$16,865.96	\$1,303.19
Single Family 2	109	\$3,129,268.15	\$1,470,711.93	\$13,492.77	\$1,042.55
Multi Family	223	\$4,801,560.53	\$2,301,799.09	\$10,321.97	\$797.55
<b>Total</b>	<b>679</b>	<b>\$23,870,000.00</b>	<b>\$9,625,000.00</b>		

\* Please note that cost allocations to units herein are based on the ERU benefit allocation illustrated in Table 4

\*\*Includes county costs of collection estimated at 2% (subject to change) and early payment discount allowance estimated at 4% (subject to change.)

## **EXHIBIT “A”**

Series 2025 Bond Assessments in the estimated amount of \$9,625,000\* are proposed to be levied uniformly over the area described below:

---

\* Preliminary, subject to change.



PREPARED FOR:

SKETCH OF LEGAL DESCRIPTION

NOT VALID WITHOUT THE  
SIGNATURE AND THE ORIGINAL  
RAISED SEAL OF A FLORIDA  
LICENSED SURVEYOR AND  
MAPPER

[illegible]

**APPENDIX F**  
**DISTRICT'S FINANCIAL STATEMENTS**

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**EDGEWATER EAST  
COMMUNITY DEVELOPMENT DISTRICT  
FINANCIAL STATEMENTS  
UNAUDITED  
SEPTEMBER 30, 2024**

**EDGEWATER EAST  
COMMUNITY DEVELOPMENT DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2024**

	General Fund	2021 Debt Service Fund	2022 Debt Service Fund	2021 Capital Projects Fund	2022 Capital Projects Fund	Total Governmental Funds
<b>ASSETS</b>						
Cash	\$ 565,036	\$ -	\$ -	\$ -	\$ -	\$ 565,036
Investments						
Revenue	-	259,292	138,819	-	-	398,111
Reserve	-	556,290	1,930,000	-	-	2,486,290
Prepayment	-	-	26,131	-	-	26,131
Construction	-	-	-	61,286	-	61,286
Project infrastructure	-	-	-	-	1,806,377	1,806,377
Construction - E2	-	-	-	-	34	34
Construction - E5	-	-	-	-	10	10
Construction - E6N	-	-	-	-	11	11
Cost of issuance	-	10,959	-	-	-	10,959
Undeposited funds	-	75,848	-	-	-	75,848
Due from Landowner	-	-	506,020	-	-	506,020
Due from M/I Homes of FL	8,013	47,032	-	-	-	55,045
Due from debt service fund	5,725	-	-	-	-	5,725
Prepaid expense	705	-	-	-	-	705
Total assets	<u>\$ 579,479</u>	<u>\$ 949,421</u>	<u>\$2,600,970</u>	<u>\$ 61,286</u>	<u>\$ 1,806,432</u>	<u>\$ 5,997,588</u>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Accounts payable	\$ 50,714	\$ -	\$ -	\$ -	\$ -	\$ 50,714
Contracts payable	-	-	-	-	1,058,190	1,058,190
Retainage payable	-	-	-	-	826,520	826,520
Due to general fund	-	-	5,725	-	-	5,725
Landowner advance	21,000	-	-	-	-	21,000
Total liabilities	<u>71,714</u>	<u>-</u>	<u>5,725</u>	<u>-</u>	<u>1,884,710</u>	<u>1,962,149</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Deferred receipts	8,013	47,032	506,020	-	-	561,065
Total deferred inflows of resources	<u>8,013</u>	<u>47,032</u>	<u>506,020</u>	<u>-</u>	<u>-</u>	<u>561,065</u>
Fund balances:						
Restricted for:						
Debt service	-	902,389	2,089,225	-	-	2,991,614
Capital projects	-	-	-	61,286	(78,278)	(16,992)
Unassigned	499,752	-	-	-	-	499,752
Total fund balances	<u>499,752</u>	<u>902,389</u>	<u>2,089,225</u>	<u>61,286</u>	<u>(78,278)</u>	<u>3,474,374</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 579,479</u>	<u>\$ 949,421</u>	<u>\$2,600,970</u>	<u>\$ 61,286</u>	<u>\$ 1,806,432</u>	<u>\$ 5,997,588</u>



**EDGEWATER EAST  
COMMUNITY DEVELOPMENT DISTRICT  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
FOR THE PERIOD ENDED SEPTEMBER 30, 2024**

	Current Month	Year to Date	Budget	% of Budget
<b>REVENUES</b>				
Assessment levy: on-roll	\$ -	\$ 181,455	\$ -	N/A
Assessment levy: off-roll	-	822,377	992,733	83%
Total revenues	-	1,003,832	992,733	101%
<b>EXPENDITURES</b>				
<b>Professional &amp; administrative</b>				
Management/admin/recording	4,000	48,000	48,000	100%
Legal	10,203	71,063	50,000	142%
Engineering	8,297	22,867	7,500	305%
Audit	-	6,500	6,500	100%
Arbitrage rebate calculation	-	750	1,500	50%
Dissemination agent	167	2,000	2,000	100%
Trustee 2021	-	4,031	5,725	70%
Trustee 2022	-	4,031	5,725	70%
DSF accounting & assessment rolls - Series 2021	458	5,500	5,500	100%
DSF accounting & assessment rolls - Series 2022	458	5,500	5,500	100%
Telephone	17	200	200	100%
Postage	120	599	500	120%
Printing & binding	42	500	500	100%
Legal advertising	415	7,781	6,500	120%
Annual special district fee	-	175	175	100%
Insurance	-	5,785	5,750	101%
Contingencies/bank charges	4	132	500	26%
Website				
Hosting & maintenance	-	705	705	100%
ADA compliance	-	210	210	100%
Total professional & administrative	24,181	186,329	152,990	122%
<b>Field operations</b>				
Accounting	-	-	2,500	0%
Streetlighting	4,676	50,140	80,114	63%
Repairs & maintenance	-	-	24,386	0%
Electricity	-	-	6,586	0%
Lake maintenance	2,097	5,592	-	N/A
Landscape maint.				
Maintenance contract	46,372	240,251	542,610	44%
Plant replacement	-	-	17,857	0%
Landscape contingency	-	24,209	8,927	271%
Irrigation	909	12,790	156,774	8%
Trash services	264	264	-	N/A
Total field operations	54,318	333,246	839,754	40%
<b>Other fees &amp; charges</b>				
Tax collector	-	18,415	-	N/A
Total other fees & charges	-	18,415	-	N/A
Total expenditures	78,499	537,990	992,744	54%
Excess/(deficiency) of revenues over/(under) expenditures	(78,499)	465,842	(11)	
Fund balances - beginning	578,251	33,910	20	
Unassigned	499,752	499,752	9	
Fund balances - ending	\$ 499,752	\$ 499,752	\$ 9	

**EDGEWATER EAST  
COMMUNITY DEVELOPMENT DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
DEBT SERVICE FUND SERIES 2021  
FOR THE PERIOD ENDED SEPTEMBER 30, 2024**

	Current Month	Year To Date	Budget	% of Budget
<b>REVENUES</b>				
Assessment levy: on-roll - net	\$ -	\$ 712,646	\$ -	N/A
Assessment levy: off-roll	75,848	343,186	1,112,587	31%
Interest	3,439	61,942	-	N/A
Total revenues	<u>79,287</u>	<u>1,117,774</u>	<u>1,112,587</u>	100%
<b>EXPENDITURES</b>				
<b>Debt Service</b>				
Principal	-	420,000	420,000	100%
Interest	-	697,830	697,830	100%
Total debt service	<u>-</u>	<u>1,117,830</u>	<u>1,117,830</u>	100%
Excess/(deficiency) of revenues over/(under) expenditures	79,287	(56)	(5,243)	
<b>OTHER FINANCING SOURCES/(USES)</b>				
Transfer out	(2,318)	(595,895)	-	N/A
Total other financing sources	<u>(2,318)</u>	<u>(595,895)</u>	<u>-</u>	N/A
Net change in fund balances	76,969	(595,951)	(5,243)	
Fund balances - beginning	825,420	1,498,340	1,487,480	
Fund balances - ending	<u>\$ 902,389</u>	<u>\$ 902,389</u>	<u>\$ 1,482,237</u>	

**EDGEWATER EAST  
COMMUNITY DEVELOPMENT DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
DEBT SERVICE FUND SERIES 2022  
FOR THE PERIOD ENDED SEPTEMBER 30, 2024**

	Current Month	Year To Date	Budget	% of Budget
<b>REVENUES</b>				
Assessment levy: off-roll	\$ -	\$ 1,322,518	\$ 1,930,402	69%
Lot closing assessments	-	101,864	-	N/A
Interest	8,692	113,250	-	N/A
Total revenues	<u>8,692</u>	<u>1,537,632</u>	<u>1,930,402</u>	80%
<b>EXPENDITURES</b>				
<b>Debt service</b>				
Principal	-	660,000	660,000	100%
Principal prepayment	-	115,000	-	N/A
Interest	-	1,278,736	1,278,894	100%
Total debt service	<u>-</u>	<u>2,053,736</u>	<u>1,938,894</u>	106%
Excess/(deficiency) of revenues over/(under) expenditures	8,692	(516,104)	(8,492)	
Fund balances - beginning	<u>2,080,533</u>	<u>2,605,329</u>	<u>2,570,779</u>	
Fund balances - ending	<u><u>\$ 2,089,225</u></u>	<u><u>\$ 2,089,225</u></u>	<u><u>\$ 2,562,287</u></u>	

**EDGEWATER EAST  
COMMUNITY DEVELOPMENT DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
CAPITAL PROJECTS FUND SERIES 2021  
FOR THE PERIOD ENDED SEPTEMBER 30, 2024**

	Current Month	Year To Date
<b>REVENUES</b>		
Interest	\$ 245	\$ 7,577
Total revenues	<u>245</u>	<u>7,577</u>
<b>EXPENDITURES</b>		
Construction costs	-	20,363
Total expenditures	<u>-</u>	<u>20,363</u>
Excess/(deficiency) of revenues over/(under) expenditures	245	(12,786)
<b>OTHER FINANCING SOURCES/(USES)</b>		
Transfer in	2,318	595,895
Transfer out	-	(563,039)
Total other financing sources/(uses)	<u>2,318</u>	<u>32,856</u>
Net change in fund balances	2,563	20,070
Fund balances - beginning	58,723	41,216
Fund balances - ending	<u>\$ 61,286</u>	<u>\$ 61,286</u>

**EDGEWATER EAST  
COMMUNITY DEVELOPMENT DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
CAPITAL PROJECTS FUND SERIES 2022  
FOR THE PERIOD ENDED SEPTEMBER 30, 2024**

	Current Month	Year To Date
<b>REVENUES</b>		
Developer contribution	\$ -	\$ 5,281,317
Impact fee credits	-	3,698,808
Interest & miscellaneous	11,392	153,558
Total revenues	<u>11,392</u>	<u>9,133,683</u>
<b>EXPENDITURES</b>		
Construction costs - project infrastructure	1,114,182	3,101,937
Construction costs - construction ED-2	-	2,818,844
Construction costs - construction ED-5	-	2,696,815
Construction costs - construction ED-6N	2,875	6,016,629
Total expenditures	<u>1,117,057</u>	<u>14,634,225</u>
Excess/(deficiency) of revenues over/(under) expenditures	(1,105,665)	(5,500,542)
<b>OTHER FINANCING SOURCES/(USES)</b>		
Transfer in	-	563,039
Total other financing sources/(uses)	<u>-</u>	<u>563,039</u>
Net change in fund balances	(1,105,665)	(4,937,503)
Fund balances - beginning	1,027,387	4,859,225
Fund balances - ending	<u>\$ (78,278)</u>	<u>\$ (78,278)</u>

**EDGEWATER EAST  
COMMUNITY DEVELOPMENT DISTRICT  
OSCEOLA COUNTY, FLORIDA  
FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
SEPTEMBER 30, 2023**

**EDGEWATER EAST COMMUNITY DEVELOPMENT DISTRICT  
OSCEOLA COUNTY, FLORIDA**

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**Grau & Associates**  
CERTIFIED PUBLIC ACCOUNTANTS

951 Yamato Road • Suite 280  
Boca Raton, Florida 33431  
(561) 994-9299 • (800) 299-4728  
Fax (561) 994-5823  
[www.graucpa.com](http://www.graucpa.com)

**INDEPENDENT AUDITOR'S REPORT**

To the Board of Supervisors  
Edgewater East Community Development District  
Osceola County, Florida

**Report on the Audit of the Financial Statements**

***Opinions***

We have audited the accompanying financial statements of the governmental activities and each major fund of Edgewater East Community Development District, Osceola County, 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 and each major fund of the District as of September 30, 2023, and the respective changes in financial position 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.

#### ***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 June 19, 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, and 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.



June 19, 2024

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of Edgewater East Community Development District, Osceola County, 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 most recent fiscal year resulting in a net position balance of \$6,881,720.
- The change in the District's total net position in comparison with the prior fiscal year was \$7,504,430, 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 \$9,038,018, a decrease of (\$12,557,683) in comparison with the prior fiscal year. The fund balance is restricted for debt service and capital projects, non-spendable for prepaid items and the remainder is unassigned fund balance which is available for spending at the District's discretion.

### 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.

The government-wide financial statements include all governmental activities that are principally supported by assessments and Developer revenues. The District does not have any business-type activities. The governmental activities of the District include the general government (management) and maintenance functions.

#### Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District has one fund category: governmental funds.

## 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 outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the 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 three 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, debt service fund and capital projects fund, all of which are considered major funds.

The District adopts an annual appropriated budget for its general fund. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with the budget.

### Notes to 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.

Key components of the District's net position are reflected in the following table:

	NET POSITION	
	SEPTEMBER 30,	
	2023	2022
Current and other assets	\$ 12,733,067	\$ 23,850,659
Capital assets, net of depreciation	51,355,541	32,361,654
Total assets	64,088,608	56,212,313
Current liabilities	4,518,684	3,090,812
Long-term liabilities	52,688,204	53,744,211
Total liabilities	57,206,888	56,835,023
Net position		
Net investment in capital assets	3,567,777	(3,841,704)
Restricted	3,280,034	3,221,600
Unrestricted	33,909	(2,606)
Total net position	\$ 6,881,720	\$ (622,710)

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.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

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 represents the extent to which ongoing program revenues exceeded the cost of operations.

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,		
	2023	2022
Revenues:		
Program revenues		
Charges for services	\$ 3,546,846	\$ 1,112,580
Operating grants and contributions	149,769	139,122
Capital grants and contributions	6,267,345	77,553
Total revenues	9,963,960	1,329,255
Expenses:		
General government	173,824	114,750
Interest	1,982,823	1,500,126
Maintenance and operations	302,883	-
Bond issuance costs	-	914,140
Total expenses	2,459,530	2,529,016
Change in net position	7,504,430	(1,199,761)
Net position - beginning	(622,710)	577,051
Net position - ending	\$ 6,881,720	\$ (622,710)

As noted above and in the statement of activities, the cost of all governmental activities during the fiscal year ended September 30, 2023 was \$2,459,530. The costs of the District's activities were funded by program revenues which are comprised of assessments, Developer contributions, impact fee revenues, and investment earnings. In total, expenses decreased from the prior year as a result of bond issuance costs incurred in the prior year.

## 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. 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 \$51,355,541 invested in capital assets for its governmental activities. No depreciation has been taken as the District's infrastructure and other capital assets are under construction. 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 \$52,380,000 in Bonds outstanding. More detailed information about the District's capital debt is presented in the notes of the financial statements.

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND OTHER EVENTS

The District's operations are expected to increase as the District is built out.

## CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, land owners, 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 Edgewater East Community Development District's Finance Department at 2300 Glades Road, Suite 410W, Boca Raton, Florida, 33481.

**EDGEWATER EAST COMMUNITY DEVELOPMENT DISTRICT  
OSCEOLA COUNTY, FLORIDA  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2023**

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash	\$ 10,298
Other receivable	94,977
Due from Developer	1,255,989
Prepays	705
Restricted assets:	
Investments	11,371,098
Capital assets:	
Nondepreciable	<u>51,355,541</u>
Total assets	<u>64,088,608</u>
 <b>LIABILITIES</b>	
Accounts payable	56,796
Contracts and retainage payable	3,617,253
Due to Developer	21,000
Accrued interest payable	823,635
Non-current liabilities:	
Due within one year	1,080,000
Due in more than one year	<u>51,608,204</u>
Total liabilities	<u>57,206,888</u>
 <b>NET POSITION</b>	
Net investment in capital assets	3,567,777
Restricted for debt service	3,280,034
Unrestricted	<u>33,909</u>
Total net position	<u><u>\$ 6,881,720</u></u>

See notes to the financial statements

**EDGEWATER EAST COMMUNITY DEVELOPMENT DISTRICT  
OSCEOLA COUNTY, FLORIDA  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government:					
Governmental activities:					
General government	\$ 173,824	\$ 173,824	\$ -	\$ -	\$ -
Maintenance and operations	302,883	330,033	-	6,267,345	6,294,495
Interest	1,982,823	3,042,989	149,769	-	1,209,935
Total governmental activities	2,459,530	3,546,846	149,769	6,267,345	7,504,430
					Change in net position
					7,504,430
					Net position - beginning
					(622,710)
					Net position - ending
					\$ 6,881,720

See notes to the financial statements

**EDGEWATER EAST COMMUNITY DEVELOPMENT DISTRICT  
OSCEOLA COUNTY, FLORIDA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2023**

	Major Funds			Total Governmental Funds
	General	Debt Service	Capital Projects	
<b>ASSETS</b>				
Cash	\$ 10,298	\$ -	\$ -	\$ 10,298
Investments	-	4,109,394	7,261,704	11,371,098
Due from Developer	-	-	1,255,989	1,255,989
Other receivable	94,977	-	-	94,977
Due from other funds	5,725	-	-	5,725
Prepaid items	705	-	-	705
<b>Total assets</b>	<b>\$ 111,705</b>	<b>\$ 4,109,394</b>	<b>\$ 8,517,693</b>	<b>\$ 12,738,792</b>
<b>LIABILITIES</b>				
Liabilities:				
Accounts payable	\$ 56,796	\$ -	\$ -	\$ 56,796
Contracts and retainage payable	-	-	3,617,253	3,617,253
Due to Developer	21,000	-	-	21,000
Due to other funds	-	5,725	-	5,725
<b>Total liabilities</b>	<b>77,796</b>	<b>5,725</b>	<b>3,617,253</b>	<b>3,700,774</b>
<b>FUND BALANCES</b>				
Nonspendable:				
Prepaid items	705	-	-	705
Restricted for:				
Debt service	-	4,103,669	-	4,103,669
Capital projects	-	-	4,900,440	4,900,440
Unassigned	33,204	-	-	33,204
<b>Total fund balances</b>	<b>33,909</b>	<b>4,103,669</b>	<b>4,900,440</b>	<b>9,038,018</b>
<b>Total liabilities and fund balances</b>	<b>\$ 111,705</b>	<b>\$ 4,109,394</b>	<b>\$ 8,517,693</b>	<b>\$ 12,738,792</b>

See notes to the financial statements



**EDGEWATER EAST COMMUNITY DEVELOPMENT DISTRICT  
OSCEOLA COUNTY, FLORIDA  
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
SEPTEMBER 30, 2023**

Fund balance - governmental funds \$ 9,038,018

Amounts reported for governmental activities in the  
statement of net position are different because:

Capital assets used in governmental activities are  
not financial resources, 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  
assets of the government as a whole.

Cost of capital assets	51,355,541	
Accumulated depreciation	<u>-</u>	51,355,541

Liabilities not due and payable from current  
available resources are not reported as liabilities in  
the governmental fund statements. All liabilities,  
both current and long-term, are reported in the  
government-wide financial statements.

Accrued interest payable	(823,635)	
Original issue premium	(308,204)	
Bonds payable	<u>(52,380,000)</u>	<u>(53,511,839)</u>

Net position of governmental activities		<u><u>\$ 6,881,720</u></u>
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See notes to the financial statements

**EDGEWATER EAST COMMUNITY DEVELOPMENT DISTRICT  
OSCEOLA COUNTY, FLORIDA  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

	Major Funds			Total
	General	Debt Service	Capital Projects	Governmental Funds
<b>REVENUES</b>				
Assessments	\$ 503,857	\$ 3,042,989	\$ -	\$ 3,546,846
Developer contributions	-	-	3,894,408	3,894,408
Interest	-	149,769	553,815	703,584
Impact fees	-	-	1,816,308	1,816,308
Miscellaneous	-	-	2,814	2,814
Total revenues	503,857	3,192,758	6,267,345	9,963,960
<b>EXPENDITURES</b>				
Current:				
General government	173,824	-	-	173,824
Maintenance and operations	293,518	-	-	293,518
Debt service:				
Principal	-	1,045,000	-	1,045,000
Interest	-	2,006,049	-	2,006,049
Capital outlay	-	-	19,003,252	19,003,252
Total expenditures	467,342	3,051,049	19,003,252	22,521,643
Excess (deficiency) of revenues over (under) expenditures	36,515	141,709	(12,735,907)	(12,557,683)
<b>OTHER FINANCING SOURCES (USES)</b>				
Interfund transfers in (out)	-	(95,494)	95,494	-
Total other financing sources (uses)	-	(95,494)	95,494	-
Net change in fund balances	36,515	46,215	(12,640,413)	(12,557,683)
Fund balances - beginning	(2,606)	4,057,454	17,540,853	21,595,701
Fund balances - ending	\$ 33,909	\$ 4,103,669	\$ 4,900,440	\$ 9,038,018

See notes to the financial statements

**EDGEWATER EAST COMMUNITY DEVELOPMENT DISTRICT  
OSCEOLA COUNTY, 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	\$ (12,557,683)
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.	18,993,887
Repayments of long-term liabilities are reported as expenditures in the governmental fund statement but such repayments reduce liabilities in the statement of net position and are eliminated in the statement of activities.	1,045,000
Amortization of Bond premiums is not recognized in the governmental fund financial statements, but is reported as an expense in the statement of activities.	11,007
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.	<u>12,219</u>
Change in net position of governmental activities	<u><u>\$ 7,504,430</u></u>

See notes to the financial statements

**EDGEWATER EAST COMMUNITY DEVELOPMENT DISTRICT  
OSCEOLA COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 – NATURE OF ORGANIZATION AND REPORTING ENTITY**

Edgewater East Community Development District ("District") was created June 15, 2020 by Ordinance 2020-49 of the Board of County Commissioners of Osceola County, Florida, pursuant to the Uniform Community Development District Act of 1980, otherwise known as Chapter 190, Florida Statutes. The Act provides among other things, the power to manage basic services for community development, 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 governed by the Board of Supervisors ("Board"), which is composed of five members. The Supervisors are elected by the owners of the property within the District. The Board of Supervisors of the District exercise all powers granted to the District pursuant to Chapter 190, Florida Statutes. At September 30, 2023, all of the Board members are affiliated with BTI Partners ("Developer").

The Board has the 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 Board of Supervisors is considered to be financially accountable, and other organizations for which the nature and significance of their relationship with the District are such that, if excluded, the financial statements of the District would be considered incomplete or misleading. There are no entities considered to be component units of the District; therefore, the financial statements include only the operations of the District.

**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.

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*.

## NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### **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 Fund**

The debt service fund is used to account for the accumulation of resources for the annual payment of principal and interest on long-term debt.

### **Capital Projects Fund**

This fund accounts for the financial resources to be used for the acquisition or construction of major infrastructure within the District.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first for qualifying expenditures, then unrestricted resources as they are needed.

## **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **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 Inter-local Cooperation Act;
- b) Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency;
- c) Interest bearing time deposits or savings accounts in qualified public depositories;
- d) Direct obligations of the U.S. Treasury.

Securities listed in paragraph c and d shall be invested to provide sufficient liquidity to pay obligations as they come due. In addition, unspent Bond proceeds are required to be held in investments as specified in the Bond Indentures.

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.

#### **Prepaid Items**

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.

#### **Capital Assets**

Capital assets which include property, plant and equipment, and infrastructure assets (e.g., roads, sidewalks and similar items) are reported in the government activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of 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.

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.

No depreciation has been taken in the current fiscal year as the District's infrastructure and other capital assets are under construction.

## **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **Assets, Liabilities and Net Position or Equity (Continued)**

#### Unearned Revenue

Governmental funds report unearned revenue in connection with resources that have been received, but not yet earned.

#### Long-Term Obligations

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the Bonds. Bonds payable are reported net of applicable premiums or discounts. Bond issuance costs are reported as an expense in the year 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.

#### 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.

## **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **Assets, Liabilities and Net Position or Equity (Continued)**

#### **Fund Equity/Net Position (Continued)**

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.



#### NOTE 4 – DEPOSITS AND INVESTMENTS (Continued)

##### Investments

The District's investments were held as follows at September 30, 2022

First American Government Obligations Fund Class Y	Amortized	Credit Risk	Maturities
			Weighted average of the fund portfolio: 24 days
	\$11,371,098	S&P AAAM	
	<u>\$11,371,098</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 Indenture limits 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.

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 – INTERFUND TRANSFERS

Interfund transfers for the fiscal year ended September 30, 2023 were as follows:

Fund	Transfer in	Transfer Out
Debt service	\$ -	\$ 95,494
Capital projects	95,494	-
Total	<u>\$ 95,494</u>	<u>\$ 95,494</u>

Transfers are used to move revenues from the fund where collection occurs to the fund where funds have been reallocated for use. In the case of the District, transfers from the debt service fund to the capital projects fund were made in accordance with the Bond Indentures.

## NOTE 6 – CAPITAL ASSETS

Capital asset activity for the fiscal year ended September 30, 2023 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
<u>Governmental activities</u>				
Capital assets, not being depreciated				
Infrastructure under construction	\$ 32,361,654	\$ 18,993,887	\$ -	\$ 51,355,541
Total capital assets, not being depreciated	32,361,654	18,993,887	-	51,355,541
Governmental activities capital assets, net	\$32,361,654	\$ 18,993,887	\$ -	\$ 51,355,541

The Capital Improvement Program (“CIP”) intended to serve the District has been estimated at a total cost of approximately \$88,739,165 for master improvements and \$53,220,000 for Neighborhood Infrastructure. The estimated cost of the Area One Project is approximately \$22,950,000 and \$55,723,430 for Area Two Project. The infrastructure will include roadways, stormwater management, utilities, landscape, undergrounding of conduit and environmental conservation. A portion of the project costs is expected to be financed with the proceeds from the issuance of Bonds. Upon completion, the infrastructure is to be conveyed to others for ownership and maintenance responsibilities.

## NOTE 7 – LONG-TERM LIABILITIES

### Series 2021 Area 1

On March 16, 2021, the District issued \$19,895,000 of Special Assessment Revenue Bonds, Series 2021. Area 1, consisting of \$2,090,000 Term Bonds Series 2021 due on May 1, 2026 with a fixed interest rate of 2.5%, \$2,400,000 Term Bonds due in May 1, 2031 with a fixed interest rate of 3.1%, \$6,255,000 Term Bonds due May 1, 2041 with a fixed interest rate of 3.6%, and \$9,150,000 Term Bonds due May 1, 2051 with a fixed interest rate of 4.0%. The Bonds were issued to finance the acquisition and construction of certain improvements for the benefit of the 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.

The Series 2021 Bonds are subject to redemption at the option of the District prior to their maturity. The Series 2021 Bonds are not subject to optional redemption. The Bonds are subject to extraordinary mandatory redemption prior to their selected maturity in the manner determined by the Bond Registrar if certain events occurred as outlined in the Bond Indenture

The Bond Indenture established a debt service reserve requirement as well as other 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 was in compliance with the requirements at September 30, 2023.

## NOTE 7 – LONG-TERM LIABILITIES (Continued)

### Series 2022 Area 2

On February 9, 2022, the District issued \$33,925,000 of Special Assessment Revenue Bonds, Series 2022. Area 2, consisting of \$3,400,000 Term Bonds Series 2022 due on May 1, 2027 with a fixed interest rate of 3.0%, \$3,985,000 Term Bonds due in May 1, 2032 with a fixed interest rate of 3.375%, \$10,650,000 Term Bonds due May 1, 2042 with a fixed interest rate of 4.0%, and \$15,890,000 Term Bonds due May 1, 2052 with a fixed interest rate of 4.0%. The Bonds were issued to finance the acquisition and construction of certain improvements for the benefit of the 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, 2023 through May 1, 2052.

The Series 2022 Bonds are subject to redemption at the option of the District prior to their maturity. The Series 2022 Bonds are not subject to optional redemption. The Bonds are subject to extraordinary mandatory redemption prior to their selected maturity in the manner determined by the Bond Registrar if certain events occurred as outlined in the Bond Indenture

The Bond Indenture established a debt service reserve requirement as well as other 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 was in compliance with the requirements at September 30, 2023.

### 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 payable:					
Series 2021	\$ 19,500,000	\$ -	\$ 405,000	\$ 19,095,000	\$ 420,000
Plus: bond premium	147,181	-	5,075	142,106	-
Series 2022	33,925,000	-	640,000	33,285,000	660,000
Plus: bond premium	172,030	-	5,932	166,098	-
Total	<u>\$ 53,744,211</u>	<u>\$ -</u>	<u>\$ 1,056,007</u>	<u>\$ 52,688,204</u>	<u>\$ 1,080,000</u>

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	\$ 1,080,000	\$ 1,976,724	\$ 3,056,724
2025	1,110,000	1,946,424	3,056,424
2026	1,140,000	1,915,274	3,055,274
2027	1,170,000	1,883,274	3,053,274
2028	1,210,000	1,847,724	3,057,724
2029-2033	6,690,000	8,615,751	15,305,751
2034-2038	8,050,000	7,296,520	15,346,520
2039-2043	9,760,000	5,618,480	15,378,480
2044-2048	11,905,000	3,519,600	15,424,600
2049-2052	10,265,000	981,400	11,246,400
Total	<u>\$ 52,380,000</u>	<u>\$ 35,601,171</u>	<u>\$ 87,981,171</u>

## NOTE 8 – DEVELOPER TRANSACTIONS

The Developer has agreed to fund portions of the construction project. In connection with that agreement, Developer contributions to the capital projects fund were \$3,894,408, which includes a receivable of \$1,255,989 as of September 30, 2023. The Developer has also provided the District with a general reserve for operations of \$21,000 which will be repaid to the Developer at a later date.

**NOTE 8 – DEVELOPER TRANSACTIONS (Continued)**

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 District collected a total of \$1,816,308 of impact fees from the Developer during the current fiscal year.

**NOTE 9 – CONCENTRATION**

The District's activity is dependent upon the continued involvement of the Developer, 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 (Board appointed non-voting positions) of the District. Under the agreement, the District compensates the management company for management, accounting, financial reporting, and other administrative costs.

**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.

**NOTE 12 – COMMITMENTS AND CONTINGENCIES**

As of September 30, 2023, the District had open contracts for various construction projects. The contracts totaled approximately \$20.7 million, of which approximately \$9.7 million was uncompleted at September 30, 2023.

**NOTE 13 – SUBSEQUENT EVENTS**

Subsequent to fiscal year end, the District prepaid a total of \$90,000 of the Series 2022 Bonds. The prepayments were considered extraordinary mandatory redemptions as outlined in the Bond Indenture.

**EDGEWATER EAST COMMUNITY DEVELOPMENT DISTRICT  
OSCEOLA COUNTY, 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		Variance with Final Budget - Positive (Negative)
	Original & Final	Actual Amounts	
REVENUES			
Assessments	\$ 503,857	\$ 503,857	\$ -
Total revenues	<u>503,857</u>	<u>503,857</u>	<u>-</u>
EXPENDITURES			
Current:			
General government	152,740	173,824	(21,084)
Maintenance and operations	<u>351,105</u>	<u>293,518</u>	<u>57,587</u>
Total expenditures	<u>503,845</u>	<u>467,342</u>	<u>36,503</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 12</u>	36,515	<u>\$ 36,503</u>
Fund balance - beginning		<u>(2,606)</u>	
Fund balance - ending		<u>\$ 33,909</u>	

See notes to required supplementary information

**EDGEWATER EAST COMMUNITY DEVELOPMENT DISTRICT  
OSCEOLA COUNTY, 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. Actual general fund expenditures did not exceed appropriations for the fiscal year ended September 30, 2023.

**EDGEWATER EAST COMMUNITY DEVELOPMENT DISTRICT  
OSCEOLA COUNTY, FLORIDA  
OTHER INFORMATION – DATA ELEMENTS  
REQUIRED BY FL STATUTE 218.39(3)(C)  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023  
UNAUDITED**

<u>Element</u>	<u>Comments</u>
Number of District employees compensated in the last pay period of the District's fiscal year being reported.	0
Number of independent contractors compensated to whom nonemployee compensation was paid in the last month of the District's fiscal year being reported.	1
Employee compensation	\$0
Independent contractor compensation	\$139,612
Construction projects to begin on or after October 1; (>\$65K)	None
Budget variance report	See the Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund
Ad Valorem taxes;	Not applicable
Non ad valorem special assessments;	
Special assessment rate	Operations and maintenance - \$139,611.57 Debt service - \$749.67-1,224.94
Special assessments collected	\$3,546,846
Outstanding Bonds:	see Note 7 for details



**Grau & Associates**  
CERTIFIED PUBLIC ACCOUNTANTS

951 Yamato Road • Suite 280  
Boca Raton, Florida 33431  
(561) 994-9299 • (800) 299-4728  
Fax (561) 994-5823  
[www.graucpa.com](http://www.graucpa.com)

**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  
Edgewater East Community Development District  
Osceola County, 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 and each major fund of Edgewater East Community Development District, Osceola County, 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, and have issued our opinion thereon dated June 19, 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*.



**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.

A handwritten signature in blue ink, appearing to read "B. Law & Associates".

June 19, 2024



**Grau & Associates**  
CERTIFIED PUBLIC ACCOUNTANTS

951 Yamato Road • Suite 280  
Boca Raton, Florida 33431  
(561) 994-9299 • (800) 299-4728  
Fax (561) 994-5823  
www.graucpa.com

**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  
Edgewater East Community Development District  
Osceola County, Florida

We have examined Edgewater East Community Development District, Osceola County, 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 Edgewater East Community Development District, Osceola County, Florida and is not intended to be and should not be used by anyone other than these specified parties.

*Grau & Associates*

June 19, 2024



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**MANAGEMENT LETTER PURSUANT TO THE RULES OF  
THE AUDITOR GENERAL FOR THE STATE OF FLORIDA**

To the Board of Supervisors  
Edgewater East Community Development District  
Osceola County, Florida

**Report on the Financial Statements**

We have audited the accompanying basic financial statements of Edgewater East Community Development District ("District") as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated June 19, 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 June 19, 2024, 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 Edgewater East Community Development District, Osceola County, Florida and is not intended to be and should not be used by anyone other than these specified parties.

We wish to thank Edgewater East Community Development District, Osceola County, 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*

June 19, 2024

## **REPORT TO MANAGEMENT**

### **I. CURRENT YEAR FINDINGS AND RECOMMENDATIONS**

None

### **II. PRIOR YEAR FINDINGS AND RECOMMENDATIONS**

None

### **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.

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.

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.

4. The name or official title and legal authority of the District are disclosed in the notes to the financial statements.

5. The District has not met one or more of the financial emergency conditions described in Section 218.503(1), Florida Statutes.

6. We applied financial condition assessment procedures and no deteriorating financial conditions were noted as of September 30, 2023. 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 financial information provided by same.

7. Management has provided the specific information required by Section 218.39(3)(c) in the Other Information section of the financial statements on page 24.



