

PRELIMINARY LIMITED OFFERING MEMORANDUM DATED JUNE 23, 2026

NEW ISSUE – BOOK-ENTRY ONLY
LIMITED OFFERING

NOT RATED

In the opinion of Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Bond Counsel, under existing statutes, regulations, rulings and court decisions and subject to the conditions described herein under "TAX MATTERS," interest on the Series 2026 Bonds is (a) excludable from gross income of the owners thereof for federal income tax purposes, except as otherwise described herein under the caption "TAX MATTERS" and (b) not an item of tax preference for purposes of the federal alternative minimum tax; provided, however, with respect to certain corporations, interest on the Series 2026 Bonds is taken into account in determining the annual adjusted financial statement income for the purpose of computing the alternative minimum tax imposed on such corporations. See "TAX MATTERS" herein for a general discussion of Bond Counsel's opinion and other tax considerations.

LAKE HIDEAWAY COMMUNITY DEVELOPMENT DISTRICT
(Hernando County, Florida)
\$6,570,000\* Capital Improvement Revenue Bonds, Series 2026
(Assessment Area Two)

Dated: Date of original issuance

Due: May 1, as shown below

The \$6,570,000\* Lake Hideaway Community Development District Capital Improvement Revenue Bonds, Series 2026 (Assessment Area Two) (the "Series 2026 Bonds"), are being issued by the Lake Hideaway Community Development District (the "District") pursuant to a Master Trust Indenture dated as of April 1, 2024 (the "Master Indenture"), between the District and U.S. Bank Trust Company, National Association, as trustee (the "Trustee"), as supplemented by a Second Supplemental Trust Indenture dated as of July 1, 2026, between the District and the Trustee (the "Supplemental Indenture" and together with the Master Indenture, the "Indenture"). Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Indenture.

The Series 2026 Bonds are being issued only in fully registered form, in denominations of \$5,000 and any integral multiple thereof. The District was created pursuant to the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes (the "Act"), the Florida Constitution, and other applicable provisions of law, and established by Ordinance No. 2021-21 of the Board of County Commissioners of Hernando County, Florida (the "County") enacted on October 26, 2021, and effective on October 28, 2021, as amended by Ordinance No. 2024-16 of the Board of County Commissioners of the County enacted on December 17, 2024, and effective on December 23, 2024 (as amended, the "Ordinance").

The Series 2026 Bonds are payable from and secured by the Series 2026 Trust Estate, which includes the Series 2026 Pledged Revenues and the Series 2026 Pledged Funds. The Series 2026 Pledged Revenues consist of the revenues derived by the District from the Series 2026 Assessments (as further described herein). The Series 2026 Pledged Funds include all of the Funds and Accounts (except for the Series 2026 Rebate Account) established by the Indenture. See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2026 BONDS" herein.

The Series 2026 Bonds, when issued, will be registered in the name of Cede & Co., as the Owner and Nominee for The Depository Trust Company ("DTC"). Purchases of beneficial interests in the Series 2026 Bonds will be made in book-entry only form. Accordingly, principal of and interest on the Series 2026 Bonds will be paid from the sources provided herein by the Trustee directly to Cede & Co. as the Nominee of DTC and the registered Owner thereof. Disbursements of such payments to the Direct Participants (as defined herein) are the responsibility of DTC and disbursements of such payments to the Beneficial Owners are the responsibility of the Direct Participants and the Indirect Participants (as defined herein), as more fully described herein. Any purchaser as a Beneficial Owner of a Series 2026 Bond must maintain an account with a broker or dealer who is, or acts through, a Direct Participant to receive payment of the principal of and interest on such Series 2026 Bond. See "DESCRIPTION OF THE SERIES 2026 BONDS – Book-Entry Only System" herein. The Series 2026 Bonds will bear interest at the fixed rates set forth below, calculated on the basis of a 360-day year comprised of twelve 30-day months. Interest on the Series 2026 Bonds is payable semi-annually on each May 1 and November 1, commencing November 1, 2026.

The Series 2026 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 2026 BONDS – Redemption Provisions" herein.

The Series 2026 Bonds are being issued to (a) finance a portion of the Cost of acquiring, constructing and equipping assessable improvements comprising the Assessment Area Two Project (as defined herein), (b) pay certain costs associated with the issuance of the Series 2026 Bonds, (c) make a deposit into the Series 2026 Reserve Account to be held for the benefit of all of the Series 2026 Bonds, and (d) pay a portion of the interest to become due on the Series 2026 Bonds.

NEITHER THE SERIES 2026 BONDS NOR THE INTEREST AND PREMIUM, IF ANY, PAYABLE THEREON SHALL CONSTITUTE A GENERAL OBLIGATION OR GENERAL INDEBTEDNESS OF THE DISTRICT WITHIN THE MEANING OF THE CONSTITUTION AND LAWS OF FLORIDA. THE SERIES 2026 BONDS AND THE INTEREST AND PREMIUM, IF ANY, PAYABLE THEREON DO NOT CONSTITUTE EITHER A PLEDGE OF THE FULL FAITH AND CREDIT OF THE DISTRICT OR A LIEN UPON ANY PROPERTY OF THE DISTRICT OTHER THAN AS PROVIDED IN THE INDENTURE. NO OWNER OR ANY OTHER PERSON SHALL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY AD VALOREM TAXING POWER OF THE DISTRICT OR ANY OTHER PUBLIC AUTHORITY OR GOVERNMENTAL BODY TO PAY DEBT SERVICE OR TO PAY ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE INDENTURE OR THE SERIES 2026 BONDS. RATHER, DEBT SERVICE AND ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE INDENTURE OR THE SERIES 2026 BONDS SHALL BE PAYABLE SOLELY FROM, AND SHALL BE SECURED SOLELY BY, THE SERIES 2026 PLEDGED REVENUES AND THE SERIES 2026 PLEDGED FUNDS PLEDGED TO THE SERIES 2026 BONDS, ALL AS PROVIDED IN THE SERIES 2026 BONDS AND IN THE INDENTURE.

THE SERIES 2026 BONDS INVOLVE A DEGREE OF RISK (SEE "BONDOWNERS' RISKS" HEREIN) AND ARE NOT SUITABLE FOR ALL INVESTORS (SEE "SUITABILITY FOR INVESTMENT" HEREIN). THE UNDERWRITER IS LIMITING THE OFFERING OF THE SERIES 2026 BONDS TO ACCREDITED INVESTORS WITHIN THE MEANING OF THE RULES OF THE FLORIDA DEPARTMENT OF FINANCIAL SERVICES. HOWEVER, THE LIMITATION OF THE INITIAL OFFERING OF THE SERIES 2026 BONDS TO ACCREDITED INVESTORS DOES NOT DENOTE RESTRICTIONS ON TRANSFERS IN ANY SECONDARY MARKET FOR THE SERIES 2026 BONDS. THE SERIES 2026 BONDS ARE NOT CREDIT ENHANCED AND ARE NOT RATED AND NO APPLICATION HAS BEEN MADE FOR CREDIT ENHANCEMENT OR A RATING WITH RESPECT TO THE SERIES 2026 BONDS, NOR IS THERE ANY REASON TO BELIEVE THAT THE DISTRICT WOULD HAVE BEEN SUCCESSFUL IN OBTAINING EITHER CREDIT ENHANCEMENT OR A RATING FOR THE SERIES 2026 BONDS HAD APPLICATION BEEN MADE.

This cover page contains information for quick reference only. It is not, and is not intended to be, a summary of the Series 2026 Bonds. Investors must read this entire Limited Offering Memorandum, including the appendices attached hereto, to obtain information essential to the making of an informed investment decision.

PRINCIPAL AMOUNTS, INTEREST RATES, MATURITY DATES, YIELDS, PRICES AND INITIAL CUSIP NUMBERS†

Table with 6 columns: Principal Amount, Interest Rate, Maturity Date, Yield, Price, and CUSIP No.†. It lists three rows for Term Series 2026 Bonds due May 1, 2026.

The Series 2026 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 Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Bond Counsel, as to the validity of the Series 2026 Bonds and the excludability of interest thereon from gross income for federal income tax purposes. Certain legal matters will be passed upon for the District by its counsel, Straley Robin Vericker P.A., Tampa, Florida, for the Developer (as defined herein) by its counsel, Shuttis & Bowen LLP, Tampa, Florida, and for the Trustee by its counsel, Squire Patton Boggs (US) LLP, Miami, Florida. Aponte & Associates Law Firm, P.L.L.C., Orlando, Florida, is serving as Underwriter's Counsel and Nabors, Giblin & Nickerson, P.A., Tampa, Florida, is serving as Disclosure Counsel. It is expected that the Series 2026 Bonds will be available for delivery through the facilities of DTC on or about \_\_\_\_\_, 2026.



Dated: \_\_\_\_\_, 2026

\* Preliminary, subject to change.

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

This Preliminary Limited Offering Memorandum and the information contained herein are subject to completion or amendment. The Series 2026 Bonds may not be sold nor may offers 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 Series 2026 Bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

**LAKE HIDEAWAY COMMUNITY DEVELOPMENT DISTRICT**

**BOARD OF SUPERVISORS**

Michael S. Lawson\*, Chairman  
Doug Draper\*, Vice Chairman  
Lori Price\*, Assistant Secretary  
Christie Ray\*, Assistant Secretary  
Brittany Crutchfield\*, Assistant Secretary

**DISTRICT MANAGER/ASSESSMENT CONSULTANT**

Kai Connected, LLC d/b/a Kai  
Tampa, Florida

**DISTRICT COUNSEL**

Straley Robin Vericker P.A.  
Tampa, Florida

**CONSULTING ENGINEER**

Stantec Consulting Services Inc.  
Tampa, Florida

**BOND COUNSEL/DISCLOSURE COUNSEL**

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

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\* Affiliate or employee of the Developer (as defined herein).

## **REGARDING USE OF THIS LIMITED OFFERING MEMORANDUM**

No dealer, broker, salesperson or other person has been authorized by the District, Hernando County, Florida, the State of Florida or the Underwriter (as defined herein) to give any information or to make any representations other than those contained in this Limited Offering Memorandum and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Limited Offering Memorandum does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2026 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 District, the District Manager, the Consulting Engineer, the Assessment Consultant, the Developer (each as defined herein) and other sources that are believed by the Underwriter to be reliable.

The Underwriter has reviewed the information in this Limited Offering Memorandum in accordance with and as part of its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

At closing, the District, the District Manager, the Consulting Engineer, the Assessment Consultant and the Developer will each deliver certificates certifying that certain of the information supplied by each does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements herein, in light of the circumstances under which they were made, not misleading. 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 with respect to the matters described herein since the date hereof.

The Series 2026 Bonds have not been registered with the Securities and Exchange Commission under the Securities Act of 1933, as amended, nor has the Indenture been qualified under the Trust Indenture Act of 1939, as amended, in reliance upon certain exemptions set forth in such acts. The registration, qualification or exemption of the Series 2026 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 Hernando County, Florida, the State of Florida, nor any of its subdivisions or agencies have guaranteed or passed upon the merits of the Series 2026 Bonds, the probability of any earnings thereon or the accuracy or adequacy of this Limited Offering Memorandum.

Certain statements included or incorporated by reference in this Limited Offering Memorandum constitute forward-looking statements. 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 and the Developer do not plan to issue any updates or revisions to those forward-looking statements

if or when any of their expectations, 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 of reference only and in no way define, limit or describe the scope or intent, or affect the meaning or construction, of any provisions or sections in this Limited Offering Memorandum.

This Limited Offering Memorandum is being provided to prospective purchasers in electronic format on the following websites: [www.munios.com](http://www.munios.com) and [www.emma.msrb.org](http://www.emma.msrb.org). This Limited Offering Memorandum may be relied upon only as printed in its entirety directly from either of such websites.

References to website addresses presented herein are for information purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Limited Offering Memorandum for any purpose, including for purposes of Rule 15c2-12 promulgated by the Securities and Exchange Commission.

This Limited Offering Memorandum is not, and shall not be deemed to constitute, an offer to sell, or the solicitation of an offer to buy, real estate, which may only be made pursuant to offering documents satisfying applicable federal and state laws relating to the offer and sale of real estate.

This Preliminary Limited Offering Memorandum is in a form deemed final by the District for purposes of Rule 15c2-12 issued under the Securities Exchange Act of 1934, as amended, except for certain information permitted to be omitted pursuant to Rule 15c2-12(b)(1).

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# LIMITED OFFERING MEMORANDUM

relating to

**LAKE HIDEAWAY COMMUNITY DEVELOPMENT DISTRICT  
(Hernando County, Florida)  
\$6,570,000\* Capital Improvement Revenue Bonds, Series 2026  
(Assessment Area Two)**

## INTRODUCTION

The purpose of this Limited Offering Memorandum, including the cover page and appendices hereto, is to set forth certain information concerning the Lake Hideaway Community Development District (the "District") in connection with the offering and issuance by the District of its \$6,570,000\* Capital Improvement Revenue Bonds, Series 2026 (Assessment Area Two) (the "Series 2026 Bonds").

The Series 2026 Bonds are being issued pursuant to the Act (hereinafter defined), a Master Trust Indenture dated as of April 1, 2024 (the "Master Indenture"), between the District and U.S. Bank Trust Company, National Association, as trustee (the "Trustee"), as supplemented by a Second Supplemental Trust Indenture dated as of July 1, 2026, between the District and the Trustee (the "Supplemental Indenture" and, together with the Master Indenture, the "Indenture"), and resolutions adopted by the Board of Supervisors of the District (the "Board") on November 16, 2021 and March 20, 2026, authorizing the issuance of the Series 2026 Bonds. All capitalized terms used in this Limited Offering Memorandum that are defined in the Indenture and not defined herein shall have the respective meanings set forth in the Indenture, which is attached hereto as composite APPENDIX C.

The District was created pursuant to the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes (the "Act"), the Florida Constitution, and other applicable provisions of law, and established by Ordinance No. 2021-21 of the Board of County Commissioners of Hernando County, Florida (the "County") enacted on October 26, 2021, and effective on October 28, 2021, as amended by Ordinance No. 2024-16 of the Board of County Commissioners of the County enacted on December 17, 2024, and effective on December 23, 2024 (as amended, the "Ordinance"). The District was established for the purpose, among other things, of financing and managing the acquisition, construction, installation, maintenance, and operation of the major infrastructure within and without the boundaries of the District. For more complete information about the District, the Board and the District Manager (hereinafter defined), see "THE DISTRICT" herein.

The Act authorizes the District to issue bonds for the purposes, among others, of financing, funding, planning, establishing, acquiring, constructing or reconstructing, enlarging or extending, equipping, operating and maintaining water management, water supply, sewer and wastewater management, bridges or culverts, roads, recreational facilities and other basic infrastructure projects within or without the boundaries of the District, all as provided in the Act.

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\* Preliminary, subject to change.

The boundaries of the District currently include approximately 210.63 acres of land (the "District Lands") located within an unincorporated area of the County. The District Lands are generally coterminous with a portion of an approximately 885-acre master planned mixed-use community to be known as "Lake Hideaway" (the "Master Development"). Hawk Lake Hideaway, LLC, a Delaware limited liability company (the "Developer"), is currently developing the District Lands into approximately 212 townhome and 494 single-family residential units and various recreational amenities (collectively, the "Development"). Approximately 35.49 gross acres of the Development consisting of Pod D are currently planned to include 212 townhome units ("Assessment Area Two"). Assessment Area Two constitutes the final phase of the Development within the District. The Assessment Area Two Project (hereinafter defined) consists of public infrastructure improvements for the benefit of the 212 townhome units planned within Assessment Area Two. See "THE CAPITAL IMPROVEMENT PROGRAM AND THE ASSESSMENT AREA TWO PROJECT" and "THE DEVELOPMENT" herein

Under the Constitution and laws of the State of Florida (the "State"), including the Act, the District has the power and authority to levy non-ad valorem assessments upon the District Lands and to issue bonds for the purposes of providing community development services and facilities, including those financed with proceeds of the Series 2026 Bonds as described herein.

Consistent with the requirements of the Indenture and the Ordinance, the Series 2026 Bonds are being issued to (a) finance a portion of the Cost of acquiring, constructing and equipping assessable improvements comprising the Assessment Area Two Project, (b) pay certain costs associated with the issuance of the Series 2026 Bonds, (c) make a deposit into the Series 2026 Reserve Account to be held for the benefit of all of the Series 2026 Bonds, and (d) pay a portion of the interest to become due on the Series 2026 Bonds.

The Series 2026 Bonds are payable from and secured by the revenues derived by the District from certain non-ad valorem special assessments (the "Series 2026 Assessments") and amounts in the Funds and Accounts (except for the Series 2026 Rebate Account) established by the Indenture (collectively, the "Series 2026 Trust Estate"). The Series 2026 Assessments are being imposed, levied and collected by the District with respect to property within Assessment Area Two that is specially benefited by the Assessment Area Two Project. The Series 2026 Assessments will be initially levied on an equal per acre basis over the approximately 35.49 gross acres within Assessment Area Two, but ultimately assigned to the 212 townhome lots planned therein that are subject to assessment as a result of the Assessment Area Two Project on a first platted first assigned basis as described in the Assessment Report (hereinafter defined). See "ASSESSMENT METHODOLOGY AND ALLOCATION OF ASSESSMENTS" herein and "APPENDIX B – ASSESSMENT REPORT" attached hereto.

The Series 2026 Assessments represent an allocation of the Costs of the Assessment Area Two Project, including bond financing costs, to certain lands within Assessment Area Two in accordance with the Assessment Report. The Assessment Report and assessment resolutions with respect to the Series 2026 Assessments (collectively, the "Assessment Proceedings") permit the prepayment in part or in full of the Series 2026 Assessments at any time without penalty, together with interest at the rate on the Series 2026 Bonds to the Quarterly Redemption Date that is more than forty-five (45) days next succeeding the date

of prepayment. See "ASSESSMENT METHODOLOGY AND ALLOCATION OF ASSESSMENTS" herein.

Subsequent to the issuance of the Series 2026 Bonds, the District may cause one or more Series of Bonds to be issued pursuant to the Master Indenture, subject to the terms and conditions thereof. Bonds may be issued for the purpose of paying all or part of the Cost of a Series Project or refunding an Outstanding Series of Bonds or any portion thereof. Other than Bonds issued to refund an Outstanding Series of Bonds, the Series 2026 Bonds are intended to be the final issuance of Bonds by the District. The District covenants and agrees in the Supplemental Indenture that so long as there are any Series 2026 Bonds Outstanding, it shall not cause or permit to be caused any lien, charge or claim against the Series 2026 Trust Estate. The District further covenants and agrees in the Supplemental Indenture that so long as the Series 2026 Assessments have not been Substantially Absorbed, it shall not issue any Bonds or other debt obligations secured by Assessments on any lands subject to the Series 2026 Assessments; provided, however, that the foregoing shall not preclude the imposition of capital Assessments on property subject to the Series 2026 Assessments which are necessary for health, safety or welfare reasons or to remediate a natural disaster, or to effect repairs to or replacement of property, facilities or equipment of the District. Notwithstanding the foregoing, the District covenants and agrees that it shall not issue any Bonds secured by Assessments for capital projects if there shall have occurred and be continuing any Event of Default with respect to any Series of Bonds issued under the Master Indenture. "Substantially Absorbed" is defined in the Supplemental Indenture to mean the date on which the principal amount of the Series 2026 Assessments equaling at least ninety percent (90%) of the then Outstanding principal amount of the Series 2026 Bonds is levied on tax parcels within Assessment Area Two with respect to which a certificate of occupancy has been issued for a structure thereon, as certified by an Authorized Officer and upon which the Trustee may conclusively rely. See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2026 BONDS – Additional Obligations" herein.

There follows in this Limited Offering Memorandum a brief description of the District and the Development, together with summaries of the terms of the Series 2026 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 2026 Bonds are qualified by reference to the definitive form thereof and the information with respect thereto contained in the Indenture, which is attached hereto as composite APPENDIX C.

### **SUITABILITY FOR INVESTMENT**

Investment in the Series 2026 Bonds poses certain economic risks. No dealer, broker, salesperson or other person has been authorized by the District or FMSbonds, Inc. (the "Underwriter") to give any information or make any representations, other than those contained in this Limited Offering Memorandum. The Series 2026 Bonds are not subject to registration under the Securities Act of 1933, as amended (the "Securities Act"), and, as required by Chapter 189, Florida Statutes, the Underwriter will offer the Series 2026 Bonds only to "accredited investors," as such term is defined in Chapter 517, Florida Statutes, and the rules promulgated thereunder. However, the limitation of the initial offering to accredited investors does not denote restrictions on transfers in any secondary market for the Series

2026 Bonds. Prospective investors in the Series 2026 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 2026 Bonds and should have the ability to bear the economic risks of such prospective investment, including a complete loss of such investment.

## **DESCRIPTION OF THE SERIES 2026 BONDS**

### **General**

The Series 2026 Bonds are issuable as fully registered bonds, without coupons, in denominations of \$5,000 and any integral multiple thereof; provided, however, if any initial Beneficial Owner does not purchase at least \$100,000 of the Series 2026 Bonds at the time of initial delivery of the Series 2026 Bonds, such Beneficial Owner must either execute and deliver to the District and the Underwriter on the date of delivery of the Series 2026 Bonds an investor letter substantially in the form attached to the Supplemental Indenture or otherwise establish to the satisfaction of the Underwriter that such Beneficial Owner is an "accredited investor," as described in Rule 501(a) under Regulation D of the Securities Act. The Series 2026 Bonds will initially be sold only to "accredited investors" within the meaning of Chapter 517, Florida Statutes, as amended, and the rules promulgated thereunder by the Florida Department of Financial Services. The limitation of the initial offering to accredited investors does not denote restrictions on transfers in any secondary market for the Series 2026 Bonds.

The Series 2026 Bonds will be dated their date of issuance and delivery to the initial purchasers thereof and will bear interest payable on each May 1 and November 1, commencing November 1, 2026 (each, an "Interest Payment Date"), which shall be computed on the basis of a 360-day year comprised of twelve 30-day months. The Series 2026 Bonds will mature on May 1 of such years, in such amounts and at such rates as set forth on the cover page of this Limited Offering Memorandum.

Each Series 2026 Bond shall bear interest from the Interest Payment Date to which interest has been paid next preceding the date of its authentication, unless the date of its authentication (a) is an Interest Payment Date to which interest on such Series 2026 Bond has been paid, in which event such Series 2026 Bond shall bear interest from its date of authentication, or (b) is prior to the first Interest Payment Date for the Series 2026 Bonds, in which event such Series 2026 Bond shall bear interest from its date.

Debt Service on the Series 2026 Bonds will be payable in any coin or currency of the United States of America which, at the date of payment thereof, is legal tender for the payment of public and private debts. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in the Indenture, be paid to the registered Owner at the close of business on the regular Record Date for such interest, which shall be the fifteenth (15<sup>th</sup>) day of the calendar month preceding such Interest Payment Date or, if such day is not a Business Day, on the Business Day immediately preceding such day; provided, however, that on or after the occurrence and continuance of an Event of Default under clause (a) of Section 902 of the Master Indenture, the payment of interest and principal or Redemption Price or Amortization Installments shall be made by the Paying Agent (hereinafter defined) to such person who, on a special record date which is fixed by the Trustee, which shall be not more than fifteen (15) and not less than ten (10) days prior to the

date of such proposed payment, appears on the registration books of the Bond Registrar as the registered Owner of a Series 2026 Bond. Any payment of principal, Amortization Installment or Redemption Price shall be made only upon presentation thereof at the designated corporate trust office of U.S. Bank Trust Company, National Association, located in Orlando, Florida, or any alternate or successor paying agent (collectively, the "Paying Agent"), unless the Series 2026 Bonds are held in the book-entry system in which case presentation shall not be required. Payment of interest shall be made by check or draft (or by wire transfer to the registered Owner if such Owner requests such method of payment in writing on or prior to the regular Record Date for the respective interest payment to such account as shall be specified in such request, but only if the registered Owner owns not less than \$1,000,000 in aggregate principal amount of the Series 2026 Bonds).

The Series 2026 Bonds will initially be registered in the name of Cede & Co. as Nominee for The Depository Trust Company ("DTC"), which will act initially as securities depository for the Series 2026 Bonds and, so long as the Series 2026 Bonds are held in book-entry only form, Cede & Co. will be considered the registered Owner for all purposes. See "- Book-Entry Only System" below for more information about DTC and its book-entry system.

### Redemption Provisions

*Optional Redemption.* The Series 2026 Bonds are subject to redemption prior to maturity at the option of the District in whole or in part on any date, on or after May 1, 20\_\_, at the Redemption Price of the principal amount of the Series 2026 Bonds or portions thereof to be redeemed together with accrued interest to the date of redemption.

*Mandatory Sinking Fund Redemption.* The Series 2026 Bond maturing May 1, 20\_\_, is subject to mandatory redemption in part by the District by lot prior to its scheduled maturity from moneys in the Series 2026 Sinking Fund Account established under the Supplemental Indenture in satisfaction of applicable Amortization Installments at the Redemption Price of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

May 1 of the Year	Amortization Installment	May 1 of the Year	Amortization Installment
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\* Maturity

The Series 2026 Bond maturing May 1, 20\_\_, is subject to mandatory redemption in part by the District by lot prior to its scheduled maturity from moneys in the Series 2026 Sinking Fund Account established under the Supplemental Indenture in satisfaction of applicable Amortization Installments at the Redemption Price of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

<b>May 1 of the Year</b>	<b>Amortization Installment</b>	<b>May 1 of the Year</b>	<b>Amortization Installment</b>
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\* Maturity

The Series 2026 Bond maturing May 1, 20\_\_, is subject to mandatory redemption in part by the District by lot prior to its scheduled maturity from moneys in the Series 2026 Sinking Fund Account established under the Supplemental Indenture in satisfaction of applicable Amortization Installments at the Redemption Price of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

<b>May 1 of the Year</b>	<b>Amortization Installment</b>	<b>May 1 of the Year</b>	<b>Amortization Installment</b>
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\* Maturity

As more particularly set forth in the Indenture, any Series 2026 Bonds that are purchased by the District with amounts held to pay an Amortization Installment will be cancelled and the principal amount so purchased will be applied as a credit against the applicable Amortization Installment of Series 2026 Bonds. Amortization Installments are also subject to recalculation, as provided in the Supplemental Indenture, as the result of the redemption of Series 2026 Bonds other than from scheduled Amortization Installments so as to reamortize the remaining Outstanding principal balance of the Series 2026 Bonds as set forth in the Supplemental Indenture.

Extraordinary Mandatory Redemption. The Series 2026 Bonds are subject to extraordinary mandatory redemption prior to maturity in whole or in part on any Redemption Date at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the Redemption Date, if and to the extent that any one or more of the following shall have occurred:

(a) on or after the Date of Completion of the Assessment Area Two Project, by application of moneys transferred from the Series 2026 Acquisition and Construction Account to the Series 2026 Prepayment Subaccount as provided for in the Indenture; or

(b) from amounts, including Series 2026 Prepayments, required by the Indenture to be deposited into the Series 2026 Prepayment Subaccount; or

(c) from amounts transferred from the Series 2026 Reserve Account to the Series 2026 Prepayment Subaccount resulting from a reduction in the Series 2026 Reserve Account Requirement as provided for in the Indenture; or

(d) on the date on which the amount on deposit in the Series 2026 Reserve Account, together with other moneys available therefor, is sufficient to pay and redeem all of the Series 2026 Bonds then Outstanding, including accrued interest thereon.

If less than all of the Series 2026 Bonds shall be called for redemption, the particular Series 2026 Bonds or portions of Series 2026 Bonds to be redeemed shall be selected by lot by the Bond Registrar as provided in the Indenture, or as provided or directed by DTC.

**Although not obligated to do so, the Developer currently anticipates prepaying a portion of the Series 2026 Assessments levied on the 212 lots planned within Assessment Area Two at the time of lot closings with the Builder (hereinafter defined) in order to meet the target assessment level set forth in the Builder Contract (hereinafter defined). See "ASSESSMENT METHODOLOGY AND ALLOCATION OF ASSESSMENTS" and "THE DEVELOPMENT – Builder Contract and Participating Builder" herein.**

### **Notice of Redemption**

Notice of each redemption of Series 2026 Bonds is required to be mailed by the Bond Registrar, postage prepaid, not less than thirty (30) nor more than forty-five (45) days prior to the date of redemption to each registered Owner of Series 2026 Bonds to be redeemed at the address of such registered Owner recorded on the bond register maintained by the Bond Registrar. On the date designated for redemption, notice having been given and money for the payment of the Redemption Price being held by the Paying Agent, all as provided in the Indenture, the Series 2026 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 2026 Bonds or such portions thereof on such date, interest on such Series 2026 Bonds or such portions thereof so called for redemption shall cease to accrue, such Series 2026 Bonds or such portions thereof so called for redemption shall cease to be entitled to any benefit or security under the Indenture and the Owners thereof shall have no rights in respect of such Series 2026 Bonds or such portions thereof so called for redemption except to receive payments of the Redemption Price thereof so held by the Paying Agent. Further notice of redemption shall be given by the Bond Registrar to certain registered securities depositories and information services as set forth in the Indenture, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed.

Pursuant to the Indenture, notice of optional redemption may be conditioned upon the occurrence or non-occurrence of such event or events or upon the later deposit of moneys therefor as shall be specified in such notice of optional redemption and may also be subject to rescission by the District if expressly set forth in such notice.

## **Book-Entry Only System**

THE INFORMATION IN THIS CAPTION CONCERNING DTC AND DTC'S BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM DTC AND NEITHER THE DISTRICT NOR THE UNDERWRITER MAKES ANY REPRESENTATION OR WARRANTY OR TAKES ANY RESPONSIBILITY FOR THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.

DTC will act as securities depository for the Series 2026 Bonds. The Series 2026 Bonds will be issued as fully-registered bonds registered in the name of Cede & Co. (DTC's partnership nominee), or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each maturity of the Series 2026 Bonds and will be deposited with DTC. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants (the "Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (the "Indirect Participants"). DTC has a Standard and Poor's rating of AA+. The DTC rules applicable to its Participants are on file with the Securities and Exchange Commission (the "SEC"). More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of the Series 2026 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for such Series 2026 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2026 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 2026 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of the Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2026

Bonds, except in the event that use of the book-entry system for the Series 2026 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2026 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2026 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2026 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2026 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping an account of their holdings on behalf of their customers.

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

Redemption notices shall be sent to DTC. If less than all of the Series 2026 Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such Series 2026 Bonds, as the case may be, to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2026 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 2026 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Series 2026 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the District or the Bond Registrar on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Bond Registrar or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District and/or the Paying Agent for the Series 2026 Bonds. Disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of the Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Series 2026 Bonds at any time by giving reasonable notice to the District. Under such circumstances, in the event that a successor securities depository is not obtained, Series 2026 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 2026 Bond certificates will be printed and delivered to DTC.

NEITHER THE DISTRICT NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO THE DIRECT PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEE WITH RESPECT TO THE PAYMENTS TO OR THE PROVIDING OF NOTICE FOR THE DIRECT PARTICIPANTS, THE INDIRECT PARTICIPANTS OR THE BENEFICIAL OWNERS OF THE SERIES 2026 BONDS. THE DISTRICT CANNOT AND DOES NOT GIVE ANY ASSURANCES THAT DTC, THE DIRECT PARTICIPANTS OR OTHERS WILL DISTRIBUTE PAYMENTS OF PRINCIPAL OF OR INTEREST ON THE SERIES 2026 BONDS PAID TO DTC OR ITS NOMINEE, AS THE REGISTERED OWNER, OR PROVIDE ANY NOTICES TO THE BENEFICIAL OWNERS OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC WILL ACT IN THE MANNER DESCRIBED IN THIS LIMITED OFFERING MEMORANDUM.

## **SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2026 BONDS**

### **General**

The Series 2026 Bonds are payable from and secured by the revenues derived by the District from the Series 2026 Assessments and amounts in the Funds and Accounts (except for the Series 2026 Rebate Account) established by the Indenture. Series 2026 Assessments will be levied and collected on the lands within Assessment Area Two that receive a special benefit from the Assessment Area Two Project, and shall not include Assessments imposed, levied and collected by the District with respect to property within the District not so specially benefited. The Series 2026 Assessments represent an allocation of the costs of the Assessment Area Two Project, including bond financing costs, to such benefited land within Assessment Area Two in accordance with the Assessment Report, attached hereto as composite APPENDIX B.

NEITHER THE SERIES 2026 BONDS NOR THE INTEREST AND PREMIUM, IF ANY, PAYABLE THEREON SHALL CONSTITUTE A GENERAL OBLIGATION OR GENERAL INDEBTEDNESS OF THE DISTRICT WITHIN THE MEANING OF THE CONSTITUTION AND LAWS OF THE STATE. THE SERIES 2026 BONDS AND THE INTEREST AND PREMIUM, IF ANY, PAYABLE THEREON DO NOT CONSTITUTE EITHER A PLEDGE OF THE FULL FAITH AND CREDIT OF THE DISTRICT OR A LIEN UPON ANY PROPERTY OF THE DISTRICT OTHER THAN AS PROVIDED IN THE INDENTURE. NO OWNER OR ANY OTHER PERSON SHALL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY AD VALOREM TAXING POWER OF THE DISTRICT OR ANY OTHER PUBLIC AUTHORITY OR GOVERNMENTAL BODY TO PAY DEBT SERVICE OR TO PAY ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE INDENTURE OR THE SERIES 2026 BONDS. RATHER, DEBT SERVICE AND ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE INDENTURE OR THE SERIES 2026 BONDS SHALL BE PAYABLE SOLELY FROM, AND SHALL BE SECURED SOLELY BY, THE SERIES 2026 PLEDGED REVENUES AND THE

SERIES 2026 PLEDGED FUNDS PLEDGED TO THE SERIES 2026 BONDS, ALL AS PROVIDED IN THE SERIES 2026 BONDS AND IN THE INDENTURE.

### **Additional Obligations**

Other than Bonds issued to refund an Outstanding Series of Bonds, the Series 2026 Bonds are intended to be the final issuance of Bonds by the District. The District covenants and agrees in the Supplemental Indenture that so long as there are any Series 2026 Bonds Outstanding, it shall not cause or permit to be caused any lien, charge or claim against the Series 2026 Trust Estate. The District further covenants and agrees in the Supplemental Indenture that so long as the Series 2026 Assessments have not been Substantially Absorbed, it shall not issue any Bonds or other debt obligations secured by Assessments on any lands subject to the Series 2026 Assessments; provided, however, that the foregoing shall not preclude the imposition of capital Assessments on property subject to the Series 2026 Assessments which are necessary for health, safety or welfare reasons or to remediate a natural disaster, or to effect repairs to or replacement of property, facilities or equipment of the District. Notwithstanding the foregoing, the District covenants and agrees that it shall not issue any Bonds secured by Assessments for capital projects if there shall have occurred and be continuing any Event of Default with respect to any Series of Bonds issued under the Master Indenture. "Substantially Absorbed" is defined in the Supplemental Indenture to mean the date on which the principal amount of the Series 2026 Assessments equaling at least ninety percent (90%) of the then Outstanding principal amount of the Series 2026 Bonds is levied on tax parcels within Assessment Area Two with respect to which a certificate of occupancy has been issued for a structure thereon, as certified by an Authorized Officer and upon which the Trustee may conclusively rely.

WHILE NO FUTURE ADDITIONAL BONDS WILL BE PAYABLE FROM OR SECURED BY THE SERIES 2026 ASSESSMENTS PLEDGED AS SECURITY FOR THE SERIES 2026 BONDS, THE DISTRICT, THE COUNTY, THE SCHOOL BOARD OF HERNANDO COUNTY, FLORIDA, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF MAY IN THE FUTURE IMPOSE, LEVY AND COLLECT ASSESSMENTS AND TAXES THE LIENS OF WHICH WILL BE CO-EQUAL WITH THE LIEN OF THE SERIES 2026 ASSESSMENTS SECURING THE SERIES 2026 BONDS. See "- Enforcement and Collection of Series 2026 Assessments" below.

### **Funds and Accounts**

The Supplemental Indenture requires that the Trustee establish, as needed, the following Accounts: (a) within the Acquisition and Construction Fund, a Series 2026 Acquisition and Construction Account and a Series 2026 Costs of Issuance Account; (b) within the Debt Service Fund, (i) a Series 2026 Debt Service Account and therein a Series 2026 Sinking Fund Account, a Series 2026 Interest Account and a Series 2026 Capitalized Interest Account, and (ii) a Series 2026 Redemption Account and therein a Series 2026 Prepayment Subaccount and a Series 2026 Optional Redemption Subaccount; (c) within the Reserve Fund, a Series 2026 Reserve Account, which shall be held for the benefit of all of the Series 2026 Bonds, without distinction as to Series 2026 Bonds and without privilege or priority of one Series 2026 Bond over another; (d) within the Revenue Fund, a Series 2026 Revenue Account; and (e) within the Rebate Fund, a Series 2026 Rebate Account.

## Series 2026 Reserve Account

The Series 2026 Reserve Account shall be funded and maintained at all times in an amount equal to the Series 2026 Reserve Account Requirement. "Series 2026 Reserve Account Requirement" is defined in the Supplemental Indenture to mean an amount equal to the Maximum Annual Debt Service Requirement for all Outstanding Series 2026 Bonds, as of the time of any such calculation, until such time as the Reserve Account Release Conditions #1 are met, at which time and thereafter, Series 2026 Reserve Account Requirement shall mean an amount equal to fifty percent (50%) of the Maximum Annual Debt Service Requirement for all Outstanding Series 2026 Bonds, as of the time of any such calculation, until such time as the Reserve Account Release Conditions #2 are met, at which time and thereafter, Series 2026 Reserve Account Requirement shall mean an amount equal to twenty-five percent (25%) of the Maximum Annual Debt Service Requirement for all Outstanding Series 2026 Bonds, as of the time of any such calculation, until such time as the Reserve Account Release Conditions #3 are met, at which time and thereafter, Series 2026 Reserve Account Requirement shall mean an amount equal to ten percent (10%) of the Maximum Annual Debt Service Requirement for all Outstanding Series 2026 Bonds, as of the time of any such calculation. On the date of initial issuance of the Series 2026 Bonds, the Series 2026 Reserve Account Requirement shall be \$\_\_\_\_\_.

"Reserve Account Release Conditions #1" is defined in the Supplemental Indenture to mean, collectively, that (a) all of the outstanding principal portion of the Series 2026 Assessments has been assigned to lots that have been developed and platted, and (b) there are no Events of Default under the Indenture with respect to the Series 2026 Bonds. The District Manager shall provide a written certification to the District and the Trustee certifying that the event in clause (a) has occurred and affirming clause (b), on which certifications the Trustee may conclusively rely.

"Reserve Account Release Conditions #2" is defined in the Supplemental Indenture to mean, collectively, that (a) all of the outstanding principal portion of the Series 2026 Assessments has been assigned to lots that have been developed, platted, and closed with homebuilders, and (b) there are no Events of Default under the Indenture with respect to the Series 2026 Bonds. The District Manager shall provide a written certification to the District and the Trustee certifying that the event in clause (a) has occurred and affirming clause (b), on which certifications the Trustee may conclusively rely.

"Reserve Account Release Conditions #3" is defined in the Supplemental Indenture to mean, collectively, that (a) all of the outstanding principal portion of the Series 2026 Assessments has been assigned to homes that have received a certificate of occupancy, (b) all Series 2026 Assessments are being collected pursuant to the Uniform Method, and (c) there are no Events of Default under the Indenture with respect to the Series 2026 Bonds. The District Manager shall provide a written certification to the District and the Trustee certifying that the event in clause (a) has occurred and affirming clauses (b) and (c), on which certifications the Trustee may conclusively rely.

Except as otherwise provided in the Indenture, amounts on deposit in the Series 2026 Reserve Account shall be used only for the purpose of making payments into the Series 2026 Interest Account and the Series 2026 Sinking Fund Account to pay Debt Service on the Series 2026 Bonds, when due, without distinction as to Series 2026 Bonds and without privilege or

priority of one Series 2026 Bond over another, to the extent the moneys on deposit in such Accounts available therefor are insufficient and for no other purpose. The Series 2026 Reserve Account shall consist only of cash and Series 2026 Investment Obligations.

Anything in the Indenture to the contrary notwithstanding, on the forty-fifth (45<sup>th</sup>) day preceding each Quarterly Redemption Date (or, if such forty-fifth (45<sup>th</sup>) day is not a Business Day, on the Business Day preceding such forty-fifth (45<sup>th</sup>) day), the Trustee is authorized and directed to recalculate the Series 2026 Reserve Account Requirement. Following such recalculation, the Trustee shall promptly notify the District of any excess on deposit in the Series 2026 Reserve Account whereupon the District shall direct the Trustee in writing to transfer such excess on deposit in the Series 2026 Reserve Account (a) resulting from Prepayments of Series 2026 Assessments into the Series 2026 Prepayment Subaccount and applied as a credit against the Prepayment otherwise required to be made by the owner of such lot or parcel subject to such Prepayment and thereafter applied to the extraordinary mandatory redemption of the Series 2026 Bonds, (b) resulting from a reduction of the Series 2026 Reserve Account Requirement as the result of either the Reserve Account Release Conditions #1, the Reserve Account Release Conditions #2 or the Reserve Account Release Conditions #3 being met into the Series 2026 Acquisition and Construction Account and used for the purposes of such Account, or (c) resulting from investment earnings as provided in Section 408(f) of the Supplemental Indenture.

On the earliest date on which there is on deposit in the Series 2026 Reserve Account sufficient moneys, after taking into account other moneys available therefor, to pay and redeem all of the Outstanding Series 2026 Bonds, together with accrued interest and redemption premium, if any, on such Series 2026 Bonds to the earliest Redemption Date permitted therein and in the Supplemental Indenture, then the Trustee shall transfer the amount on deposit in the Series 2026 Reserve Account into the Series 2026 Prepayment Subaccount to pay and redeem all of the Outstanding Series 2026 Bonds on the earliest Redemption Date permitted for redemption therein and in the Supplemental Indenture.

Anything in the Indenture to the contrary notwithstanding, amounts on deposit in the Series 2026 Reserve Account shall, upon the occurrence and continuance of an Event of Default, be subject to a first charge by the Trustee for its fees and expenses, including fees and expenses of collection of Delinquent Assessments.

### **Series 2026 Revenue Account**

(a) Pursuant to the Supplemental Indenture, the Trustee is authorized and directed to deposit any and all amounts required to be deposited in the Series 2026 Revenue Account by Section 408 of the Supplemental Indenture or by any other provision of the Indenture, and any other amounts or payments specifically designated by the District pursuant to a written direction or by a Supplemental Indenture for said purpose. The Series 2026 Revenue Account shall be held by the Trustee separate and apart from all other Funds and Accounts held under the Indenture and from all other moneys of the Trustee.

(b) The Trustee shall deposit into the Series 2026 Revenue Account (i) Series 2026 Assessment Revenues other than Series 2026 Prepayments (which Series 2026 Prepayments shall be identified by the District to the Trustee as such in writing upon deposit, upon which certification the Trustee may conclusively rely, and which shall be deposited into the Series

2026 Prepayment Subaccount), (ii) Series 2026 Prepayment Interest, and (iii) any other revenues required by other provisions of the Indenture to be deposited into the Series 2026 Revenue Account.

(c) On the forty-fifth (45<sup>th</sup>) day preceding each Quarterly Redemption Date (or if such forty-fifth (45<sup>th</sup>) day is not a Business Day, on the Business Day preceding such forty-fifth (45<sup>th</sup>) day), the Trustee shall determine the amount on deposit in the Series 2026 Prepayment Subaccount and, if the balance therein is greater than zero, shall, upon written direction from the District, transfer from the Series 2026 Revenue Account for deposit into the Series 2026 Prepayment Subaccount an amount sufficient to increase the amount on deposit therein to the nearest integral multiple of \$5,000 (provided that there are sufficient funds remaining in the Series 2026 Revenue Account to pay Debt Service coming due on the Series 2026 Bonds on the next succeeding Interest Payment Date), and shall thereupon give notice and cause the extraordinary mandatory redemption of the Series 2026 Bonds on the next succeeding Redemption Date in the maximum aggregate principal amount for which moneys are then on deposit in the Series 2026 Prepayment Subaccount in accordance with the provisions for extraordinary mandatory redemption of the Series 2026 Bonds set forth in the form of Series 2026 Bonds attached to the Supplemental Indenture, Section 301 of the Supplemental Indenture, and Article III of the Master Indenture.

(d) On May 1 and November 1 (or if such May 1 or November 1 is not a Business Day, on the Business Day preceding such May 1 or November 1), the Trustee shall first transfer from the Series 2026 Capitalized Interest Account to the Series 2026 Interest Account the lesser of (i) the amount of interest coming due on the Series 2026 Bonds on such May 1 or November 1, less the amount already on deposit in the Series 2026 Interest Account, or (ii) the amount remaining in the Series 2026 Capitalized Interest Account. Following the foregoing transfer, on such May 1 or November 1 (or if such May 1 or November 1 is not a Business Day, on the Business Day preceding such May 1 or November 1), the Trustee shall then transfer amounts on deposit in the Series 2026 Revenue Account to the Accounts designated below in the following amounts and in the following order of priority:

FIRST, to the Series 2026 Interest Account, the amount, if any, equal to the difference between the amount of interest payable on all Series 2026 Bonds then Outstanding on such May 1 or November 1, and (i) the amount transferred from the Series 2026 Capitalized Interest Account in accordance with Section 408(d) of the Supplemental Indenture and (ii) the amount already on deposit in the Series 2026 Interest Account not previously credited;

SECOND, on May 1, 20\_\_, and on each May 1 thereafter, to the Series 2026 Sinking Fund Account, the amount, if any, equal to the difference between the Amortization Installments of all Series 2026 Bonds subject to mandatory sinking fund redemption on such May 1 and the amount already on deposit in the Series 2026 Sinking Fund Account not previously credited;

THIRD, to the Series 2026 Reserve Account, the amount, if any, which is necessary to make the amount on deposit therein equal to the Series 2026 Reserve Account Requirement with respect to the Series 2026 Bonds; and

FOURTH, the balance shall first be deposited into the Series 2026 Costs of Issuance Account to fund any deficiencies in the amount allocated to pay the costs of issuance relating

to the Series 2026 Bonds, and then the balance shall be retained in the Series 2026 Revenue Account.

(e) On any date required by the Arbitrage Certificate, the District shall give the Trustee written direction to, and the Trustee shall, transfer from the Series 2026 Revenue Account to the Series 2026 Rebate Account the amount due and owing to the United States, which amount shall be paid to the United States when due in accordance with such Arbitrage Certificate.

## **Investments**

Anything in the Indenture to the contrary notwithstanding, moneys on deposit in all of the Funds and Accounts held as security for the Series 2026 Bonds shall be invested only in Series 2026 Investment Obligations. Earnings on investments in the Series 2026 Acquisition and Construction Account, the Series 2026 Interest Account and the Series 2026 Capitalized Interest Account shall be retained, as realized, in such Accounts and used for the purposes of such Accounts. Earnings on investments in the Funds and Accounts other than the Series 2026 Reserve Account, and other than as set forth above, shall be deposited, as realized, to the credit of the Series 2026 Revenue Account and used for the purpose of such Account.

Earnings on investments in the Series 2026 Reserve Account shall be disposed of as follows:

(a) if there was no deficiency (as defined in Section 509 of the Master Indenture) in the Series 2026 Reserve Account as of the most recent date on which amounts on deposit in the Series 2026 Reserve Account were valued by the Trustee, and if no withdrawals have been made from the Series 2026 Reserve Account since such date which have created a deficiency, then earnings on investments in the Series 2026 Reserve Account shall be deposited into the Series 2026 Capitalized Interest Account through November 1, 2026, and thereafter shall be deposited into the Series 2026 Revenue Account and used for the purpose of such Account; or

(b) if there was a deficiency (as defined in Section 509 of the Master Indenture) in the Series 2026 Reserve Account as of the most recent date on which amounts on deposit in the Series 2026 Reserve Account were valued by the Trustee, or if after such date withdrawals have been made from the Series 2026 Reserve Account and have created such a deficiency, then earnings on investments in the Series 2026 Reserve Account shall be retained in the Series 2026 Reserve Account until the amount on deposit therein is equal to the Series 2026 Reserve Account Requirement, and then earnings on investments in the Series 2026 Reserve Account shall be deposited into the Series 2026 Capitalized Interest Account through November 1, 2026, and thereafter shall be deposited into the Series 2026 Revenue Account and used for the purpose of such Account.

The foregoing determination and disbursement shall be made prior to any recalculation and transfer of excess amounts on deposit in the Series 2026 Reserve Account made pursuant to Section 405 of the Supplemental Indenture.

## **Series 2026 Acquisition and Construction Account**

Amounts on deposit in the Series 2026 Acquisition and Construction Account shall be applied to pay Costs of the Assessment Area Two Project upon compliance with the requisition provisions set forth in Section 503(b) of the Master Indenture and on the form attached to the Supplemental Indenture. The Trustee shall have no duty to verify that any requested disbursement from the Series 2026 Acquisition and Construction Account is for a Cost of the Assessment Area Two Project. The Consulting Engineer shall establish a Date of Completion for the Assessment Area Two Project, and any balance remaining in the Series 2026 Acquisition and Construction Account after such Date of Completion (taking into account the moneys then on deposit therein to pay any accrued but unpaid Costs of the Assessment Area Two Project which are required to be reserved in the Series 2026 Acquisition and Construction Account in accordance with the certificate of the Consulting Engineer delivered to the District and the Trustee establishing such Date of Completion), shall be transferred to the Series 2026 Prepayment Subaccount and applied to the extraordinary mandatory redemption of the Series 2026 Bonds in accordance with Section 301 of the Supplemental Indenture and in the manner prescribed in the form of Series 2026 Bond attached to the Supplemental Indenture. Notwithstanding the foregoing, the District shall not establish a Date of Completion until after all of the Reserve Account Release Conditions #1, the Reserve Account Release Conditions #2 and the Reserve Account Release Conditions #3 have been satisfied and moneys have been transferred from the Series 2026 Reserve Account to the Series 2026 Acquisition and Construction Account as a result of such satisfaction pursuant to Section 405 of the Supplemental Indenture. At such time as there are no amounts on deposit in the Series 2026 Acquisition and Construction Account, such Account shall be closed.

In accordance with the provisions of the Indenture, the Series 2026 Bonds are payable solely from the Series 2026 Pledged Revenues and the Series 2026 Pledged Funds held by the Trustee under the Indenture for such purpose. Anything in the Indenture to the contrary notwithstanding, the District acknowledges that (a) the Series 2026 Pledged Funds include, without limitation, all amounts on deposit in the Series 2026 Acquisition and Construction Account then held by the Trustee, (b) upon the occurrence of an Event of Default with respect to the Series 2026 Bonds, the Series 2026 Pledged Funds may not be used by the District (whether to pay Costs of the Assessment Area Two Project or otherwise) without the written consent of the Majority Owners, except to the extent that prior to the occurrence of the Event of Default the District had incurred a binding obligation with third parties for work on the Assessment Area Two Project and payment is for such work, and (c) upon the occurrence of an Event of Default with respect to the Series 2026 Bonds, the Series 2026 Pledged Funds may be used by the Trustee, at the direction or with the approval of the Majority Owners, to pay the reasonable costs and expenses incurred in connection with the pursuit of remedies under the Indenture. The District shall not enter into any binding agreement with respect to the Assessment Area Two Project that will cause the expenditure of additional funds from the Series 2026 Trust Estate after the occurrence and during the continuance of an Event of Default unless authorized in writing by the Majority Owners.

## **Enforcement of True-Up Agreement and Completion Agreement**

Pursuant to the Indenture, the District, either through its own actions, or actions caused to be taken through the Trustee, covenants that it shall strictly enforce all of the

provisions of the True-Up Agreement and the Completion Agreement (each as hereinafter defined) and, upon the occurrence and continuance of a default under either or both of such Agreements, the District covenants and agrees that the Trustee, at the direction of the Majority Owners, may, subject to the provisions of Section 912 of the Master Indenture, act on behalf of and in the District's stead to enforce the provisions of such Agreements and to pursue all available remedies under applicable law or in equity. Anything in the Indenture to the contrary notwithstanding, failure of the District to enforce, or permit the Trustee to enforce in its stead, all of the provisions of the True-Up Agreement and the Completion Agreement upon demand of the Majority Owners, or the Trustee at the direction of the Majority Owners, shall constitute an Event of Default under the Indenture, provided, however, that the District shall have a reasonable opportunity to cure. See "THE DEVELOPMENT – Developer Agreements" herein.

### **Events of Default**

The Master Indenture provides that each of the following shall be an "Event of Default" under the Indenture with respect to the Series 2026 Bonds, but no other Series of Bonds unless otherwise provided in the Supplemental Indenture relating to such Series:

- (a) any payment of Debt Service on the Series 2026 Bonds is not made when due;
- (b) the District shall for any reason be rendered incapable of fulfilling its obligations under the Indenture;
- (c) the District admits in writing its inability to pay its debts generally as they become due, or files a petition in bankruptcy or makes an assignment for the benefit of its creditors or consents to the appointment of a receiver or trustee for itself or for the whole or any part of the Assessment Area Two Project;
- (d) the District is adjudged insolvent by a court of competent jurisdiction, or is adjudged bankrupt on a petition in bankruptcy filed against the District, or an order, judgment or decree be entered by any court of competent jurisdiction appointing, without the consent of the District, a receiver or trustee of the District or of the whole or any part of its property and if the aforesaid adjudications, orders, judgments or decrees shall not be vacated or set aside or stayed within ninety (90) days from the date of entry thereof;
- (e) the District shall file a petition or answer seeking reorganization or any arrangement under the federal bankruptcy laws or any other applicable law or statute of the United States of America or any state thereof;
- (f) under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the District's assets or any part thereof, and such custody or control shall not be terminated within ninety (90) days from the date of assumption of such custody or control;
- (g) any portion of the Series 2026 Assessments shall have become Delinquent Assessments and, as the result thereof, the Trustee has withdrawn funds in an amount greater than ten percent (10%) of the amount on deposit in the Series 2026 Reserve Account

to pay Debt Service on the Series 2026 Bonds and such amount has not been restored within thirty (30) days of such withdrawal;

(h) the District shall default in the due and punctual performance of any of the material covenants, conditions, agreements and provisions contained in the Series 2026 Bonds or in the Indenture on the part of the District to be performed (other than a default in the payment of Debt Service on the Series 2026 Bonds when due, which is an Event of Default under subsection (a) above) and such default shall continue for thirty (30) days after written notice specifying such default and requiring the same to be remedied shall have been given to the District by the Trustee or, if the Trustee is unwilling or unable to act, by Owners of not less than ten percent (10%) in aggregate principal amount of the Series 2026 Bonds then Outstanding and affected by such default; and

(i) more than twenty percent (20%) of the Operation and Maintenance Assessments levied by the District on tax parcels subject to the Series 2026 Assessments are not paid by the date such are due and payable.

The District covenants and agrees in the Indenture that upon the occurrence and continuance of an Event of Default, it will take such actions to enforce the remedial provisions of the Indenture, the provisions for the collection of Delinquent Assessments, including delinquent Direct Billed Operation and Maintenance Assessments, the provisions for the foreclosure of liens of Delinquent Assessments, including delinquent Direct Billed Operation and Maintenance Assessments, and will take such other appropriate remedial actions as shall be directed by the Trustee acting at the direction of, and on behalf of, the Majority Owners, from time to time, of the Series 2026 Bonds. Notwithstanding anything to the contrary in the Indenture, and unless otherwise directed by the Majority Owners of the Series 2026 Bonds and allowed pursuant to federal or State law, the District acknowledges and agrees that (a) upon failure of any property owner to pay an installment of Series 2026 Assessments collected directly by the District when due, that the entire Series 2026 Assessment on the tax parcel as to which such Delinquent Assessment appertains, with interest and penalties thereon, shall immediately become due and payable as provided by applicable law and the District shall promptly, but in any event within 120 days, cause to be brought the necessary legal proceedings for the foreclosure of liens of Delinquent Assessments, including interest and penalties with respect to such tax parcel, and (b) the foreclosure proceedings shall be prosecuted to a sale and conveyance of the property involved in said proceedings as now provided by law in suits to foreclose mortgages.

#### **Additional Covenant Regarding Termination of District Manager Upon Event of Default**

The District covenants in the Supplemental Indenture that, within thirty (30) days following the receipt of written notice from the Trustee (which written notice shall be provided in the manner set forth in Section 1302 of the Master Indenture) of the occurrence of an Event of Default under the Master Indenture with respect to any Series of Bonds issued thereunder, so long as such Series of Bonds is secured by Assessments levied on lands owned entirely or in part by the Developer or any affiliate of the Developer, the District shall terminate the District Manager and shall immediately appoint an Independent Third-Party Management Company to provide district management services, which appointment shall be evidenced by a certificate signed by an Authorized Officer and provided to the Trustee, upon

which certificate the Trustee may conclusively rely. Failure to appoint an Independent Third-Party Management Company within the time period set forth above shall be an Event of Default under the Indenture without benefit for any period for cure. The Trustee shall not incur any liability for the District's termination of the District Manager pursuant to this section. For purposes of this section only, "District Manager" shall mean Kai Connected, LLC d/b/a Kai, a Delaware limited liability company, or any successor entity acting in the capacity of District Manager in which the Developer or any affiliate of the Developer has an ownership interest. "Independent Third-Party Management Company" is defined in the Supplemental Indenture to mean a management company in which neither the Developer nor any affiliate of the Developer has any ownership interest. See "THE DISTRICT – District Manager and Other Consultants" herein.

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

The provisions of Section 913 of the Master Indenture, as summarized below, shall be applicable both before and after the commencement, whether voluntary or involuntary, of any case, proceeding or other action by or against any owner of any tax parcel, or tax parcels which are in the aggregate, subject to at least five percent (5%) of the Series 2026 Assessments pledged to the Series 2026 Bonds then Outstanding (an "Insolvent Taxpayer") under any existing or future law of any jurisdiction relating to bankruptcy, insolvency, reorganization, assignment for the benefit of creditors, or relief of debtors (a "Proceeding").

The District acknowledges and agrees in the Indenture that, although the Series 2026 Bonds were issued by the District, the Owners of the Series 2026 Bonds are categorically the party with the ultimate financial stake in the transaction and, consequently, the party with a vested and pecuniary interest in a Proceeding. In the event of any Proceeding involving an Insolvent Taxpayer:

(a) the District agrees that it shall make a reasonable attempt to timely seek to secure the written consent of the Trustee, acting at the direction of the Majority Owners of the Series 2026 Bonds then Outstanding, prior to making any election, giving any consent, commencing any action or filing any motion, claim, obligation, notice or application or in taking any other action or position in any Proceeding or in any action related to a Proceeding that affects, either directly or indirectly, the Series 2026 Assessments relating to the Series 2026 Bonds then Outstanding, the Series 2026 Bonds then Outstanding or any rights of the Trustee under the Indenture (provided, however, the Trustee shall be deemed to have consented, on behalf of the Majority Owners of the Series 2026 Bonds then Outstanding, to the proposed action if the District does not receive a written response from the Trustee within sixty (60) days following delivery to the Trustee of a written request for consent);

(b) the District agrees that it shall not make any election, give any consent, commence any action or file any motion, claim, obligation, notice or application or take any other action or position in any Proceeding or in any action related to a Proceeding that affects, either directly or indirectly, the Series 2026 Assessments relating to the Series 2026 Bonds then Outstanding, the Series 2026 Bonds then Outstanding or any rights of the Trustee under the Indenture that are inconsistent with any written consent received (or deemed received) from the Trustee;

(c) the District agrees that it shall make a reasonable attempt to timely seek the written consent of the Trustee prior to filing and voting in any such Proceeding (provided, however, the Trustee shall be deemed to have consented, on behalf of the Majority Owners of the Series 2026 Bonds then Outstanding, to the proposed action if the District does not receive a written response from the Trustee within sixty (60) days following delivery to the Trustee of a written request for consent);

(d) the Trustee shall have the right, by interpleader or otherwise, to seek or oppose any relief in any such Proceeding that the District, as claimant with respect to the Series 2026 Assessments relating to the Series 2026 Bonds then Outstanding, would have the right to pursue, and, if the Trustee chooses to exercise any such rights, the District shall not oppose the Trustee in seeking to exercise any and all rights and taking any and all actions available to the District in connection with any Proceeding of any Insolvent Taxpayer, including without limitation, the right to file and/or prosecute and/or defend any claims and proofs of claims, to vote to accept or reject a plan, to seek dismissal of the Proceeding, to seek stay relief to commence or continue foreclosure or pursue any other available remedies as to the Series 2026 Assessments relating to the Series 2026 Bonds then Outstanding, to seek substantive consolidation, to seek to shorten the Insolvent Taxpayer's exclusivity periods or to oppose any motion to extend such exclusivity periods, to oppose any motion for use of cash collateral or for authority to obtain financing, to oppose any sale procedures motion or any sale motion, to propose a competing plan of reorganization or liquidation, or to make any election under Section 1111(b) of the Bankruptcy Code; and

(e) the District shall not challenge the validity or amount of any claim submitted in good faith by the Trustee in such Proceeding or any valuations of the lands owned by any Insolvent Taxpayer submitted in good faith by the Trustee in such Proceeding or take any other action in such Proceeding which is adverse to the Trustee's enforcement of the District's claim and rights with respect to the Series 2026 Assessments relating to the Series 2026 Bonds then Outstanding or receipt of adequate protection (as that term is defined in the Bankruptcy Code). Without limiting the generality of the foregoing, the District agrees that the Trustee shall have the right to (i) file a proof of claim with respect to the Series 2026 Assessments pledged to the Series 2026 Bonds then Outstanding, (ii) deliver to the District a copy thereof, together with evidence of the filing with the appropriate court or other authority, and (iii) defend any objection filed to said proof of claim.

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

Nothing in Section 913 of the Master Indenture shall preclude the District from becoming a party to a Proceeding in order to enforce a claim for Operation and Maintenance Assessments, and the District shall be free to pursue such a claim for Operation and Maintenance Assessments in such manner as it shall deem appropriate in its sole and absolute discretion; provided, however, that such claim shall not seek to reduce the amount or receipt of Series 2026 Assessments. Any actions taken by the District in pursuance of its claim for Operation and Maintenance Assessments in any Proceeding shall not be considered an action adverse or inconsistent with the Trustee's rights or consents with respect to the Series 2026 Assessments relating to the Series 2026 Bonds then Outstanding whether such claim is pursued by the District or the Trustee; provided, however, that the District shall not

oppose any relief sought by the Trustee under the authority granted to the Trustee in clause (d) above.

### **Enforcement and Collection of Series 2026 Assessments**

The primary source of payment for the Series 2026 Bonds is the Series 2026 Assessments imposed on lands within Assessment Area Two which are specially benefited by the Assessment Area Two Project. To the extent that landowners fail to pay such Series 2026 Assessments, delay payments, or are unable to pay such Series 2026 Assessments, the successful pursuit of collection procedures available to the District is essential to continued payment of principal of and interest on the Series 2026 Bonds. The Act provides for various methods of collection of delinquent special assessments by reference to other provisions of the Florida Statutes. See "ENFORCEMENT OF ASSESSMENT COLLECTIONS" herein for a summary of special assessment payment and collection procedures appearing in the Florida Statutes.

Pursuant to the Indenture, when permitted by law, Series 2026 Assessments levied on platted lots no longer owned by the Developer and pledged to secure the Series 2026 Bonds shall be collected pursuant to the uniform method for the levy, collection and enforcement of Assessments afforded by Sections 197.3631, 197.3632 and 197.3635, Florida Statutes, as amended (the "Uniform Method"), and Series 2026 Assessments levied on unplatted lands and platted lots owned by the Developer and pledged to secure the Series 2026 Bonds shall be collected directly by the District pursuant to the Act and Chapters 170 and 197, Florida Statutes, and not pursuant to the Uniform Method, in each case unless otherwise directed by the Trustee acting at the direction of the Majority Owners upon the occurrence and continuance of an Event of Default. All Series 2026 Assessments that are collected directly by the District and not via the Uniform Method shall be due and payable by the applicable landowner no later than thirty (30) days prior to each Interest Payment Date; provided, however, that such Series 2026 Assessments shall not be deemed Delinquent Assessments unless and until such Series 2026 Assessments are not paid by the applicable Interest Payment Date with respect to which they have been billed.

If the owner of any lot or parcel of land shall be delinquent in the payment of any Series 2026 Assessment, then such Series 2026 Assessment shall be enforced in accordance with the provisions of Chapters 170 and/or 197, Florida Statutes, including but not limited to the sale of tax certificates and tax deeds as regards such Delinquent Assessment. In the event the provisions of Chapter 197, Florida Statutes, are inapplicable or unavailable, or in the event that a Series 2026 Assessment was directly collected by the District, as permitted by the Supplemental Indenture, then upon the delinquency of any such Series 2026 Assessment, the District either on its own behalf, or through the actions of the Trustee may, and shall, if so directed in writing by the Majority Owners of the Series 2026 Bonds then Outstanding, declare the entire unpaid balance of such Series 2026 Assessment to be in default and, at its own expense, cause such delinquent property to be foreclosed in the same method now or hereafter provided by law for the foreclosure of mortgages on real estate, or pursuant to the provisions of Chapters 170 and 173, and Section 190.026, Florida Statutes, or otherwise as provided by law. The District further covenants in the Indenture to furnish, at its expense, to any Owner of Series 2026 Bonds so requesting, sixty (60) days after the due date of each annual installment, a list of all Delinquent Assessments together with a copy of

the District's annual audit (if available), and a list of foreclosure actions currently in progress and the current status of such Delinquent Assessments.

If any tax certificates relating to Delinquent Assessments which are pledged to the Series 2026 Bonds are sold by the Tax Collector (hereinafter defined) pursuant to the provisions of Section 197.432, Florida Statutes, or if any such tax certificates are not sold but are later redeemed, the proceeds of such sale or redemption (to the extent that such proceeds relate to the Delinquent Assessments), less any commission or other charges retained by the Tax Collector, shall, if paid by the Tax Collector to the District, be paid by the District to the Trustee not later than five (5) Business Days following receipt of such proceeds by the District and shall be deposited by the Trustee to the credit of the Series 2026 Revenue Account.

If any property shall be offered for sale for the nonpayment of any Series 2026 Assessment and no person or persons shall purchase such property for an amount less than or equal to the full amount due on the Series 2026 Assessments (principal, interest, penalties and costs, plus attorneys' fees, if any), the property may then be purchased by the District for an amount equal to the balance due on the Series 2026 Assessments (principal, interest, penalties and costs, plus attorneys' fees, if any), from any legally available funds of the District and the District shall receive in its corporate name or in the name of a special purpose entity title to the property for the benefit of the Owners of the Series 2026 Bonds; provided that the Trustee shall have the right, acting at the direction of the Majority Owners of the Series 2026 Bonds, but shall not be obligated, to direct the District with respect to any action taken pursuant to this paragraph. The District, either through its own actions, or actions caused to be taken through the Trustee, shall have the power to lease or sell such property, and deposit all of the net proceeds of any such lease or sale into the Series 2026 Revenue Account. Not less than ten (10) days prior to the filing of any foreclosure action as provided in the Master Indenture, the District shall cause written notice thereof to be mailed to any designated agents of the Owners of the Series 2026 Bonds. Not less than thirty (30) days prior to the proposed sale of any lot or tract of land acquired by foreclosure by the District, it shall give written notice thereof to such representatives. The District, either through its own actions, or actions caused to be taken through the Trustee, agrees that it shall be required to take the measures provided by law for the listing for sale of property acquired by it as trustee for the benefit of the Owners of the Series 2026 Bonds within sixty (60) days after the receipt of the request therefor signed by the Trustee or the Majority Owners of the Series 2026 Bonds then Outstanding.

THERE CAN BE NO ASSURANCE THAT ANY SALE, PARTICULARLY A BULK 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.

### **Additional Covenants Regarding Assessments**

The District covenants in the Indenture to comply with the terms of the Assessment Proceedings heretofore adopted with respect to the Series 2026 Assessments, including the Assessment Report, and to levy the Series 2026 Assessments and collect any required true-up payments set forth in the Assessment Report, in such manner as will generate funds sufficient to pay the principal of and interest on the Series 2026 Bonds, when due. The

Assessment Report shall not be materially amended without written consent of the Majority Owners.

### **Re-Assessment**

Pursuant to the Master Indenture, if any Series 2026 Assessment shall be either in whole or in part annulled, vacated or set aside by the judgment of any court, or the District shall be satisfied that any such Series 2026 Assessment is so irregular or defective that it cannot be enforced or collected, or if the District shall have omitted to make such Series 2026 Assessment when it might have done so, the District shall either (a) take all necessary steps to cause a new Series 2026 Assessment to be made for the whole or any part of such improvement or against any property benefited by such improvement, or (b) in its sole discretion, make up the amount of such Series 2026 Assessment from legally available moneys, which moneys shall be deposited into the Series 2026 Revenue Account. In case any such subsequent Series 2026 Assessment shall also be annulled, the District shall obtain and make other Series 2026 Assessments until a valid Series 2026 Assessment shall be made.

## **ENFORCEMENT OF ASSESSMENT COLLECTIONS**

### **General**

The primary source of payment for the Series 2026 Bonds is the revenues derived by the District from the collection of Series 2026 Assessments imposed on the lands in Assessment Area Two specially benefited by the Assessment Area Two Project pursuant to the Assessment Proceedings. See "ASSESSMENT METHODOLOGY AND ALLOCATION OF ASSESSMENTS" herein and "APPENDIX B – ASSESSMENT REPORT" attached hereto.

The imposition, levy, and collection of Series 2026 Assessments must be done in compliance with the provisions of State law. Failure by the District, the Hernando County Tax Collector (the "Tax Collector") or the Hernando 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 2026 Assessments during any year. Such delays in the collection of Series 2026 Assessments, or complete inability to collect any Series 2026 Assessments, would have a material adverse effect on the ability of the District to make full or punctual payment of Debt Service on the Series 2026 Bonds. See "BONDOWNERS' RISKS" herein. To the extent that landowners fail to pay the Series 2026 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 2026 Bonds.

For the Series 2026 Assessments to be valid, the Series 2026 Assessments must meet two requirements: (a) the benefit from the Assessment Area Two Project to the lands subject to the Series 2026 Assessments must exceed or equal the amount of the Series 2026 Assessments; and (b) the Series 2026 Assessments must be fairly and reasonably allocated across all such benefited properties. At closing, the Assessment Consultant (hereinafter defined) will certify that these requirements have been met with respect to the Series 2026 Assessments.

Pursuant to the Act and the Assessment Proceedings, the District may collect the Series 2026 Assessments through a variety of methods. See "BONDOWNERS' RISKS" herein. The Indenture provides that, when permitted by law, Series 2026 Assessments levied on platted lots no longer owned by the Developer and pledged to secure the Series 2026 Bonds shall be collected pursuant to the Uniform Method, and Series 2026 Assessments levied on unplatted lands and platted lots owned by the Developer and pledged to secure the Series 2026 Bonds shall be collected directly by the District pursuant to the Act and Chapters 170 and 197, Florida Statutes, and not pursuant to the Uniform Method, in each case unless otherwise directed by the Trustee acting at the direction of the Majority Owners upon the occurrence and continuance of an Event of Default. See "ASSESSMENT METHODOLOGY AND ALLOCATION OF ASSESSMENTS" herein and "APPENDIX B - ASSESSMENT REPORT" attached hereto. The following is a description of certain statutory provisions relating to each of these collection methods. Such description is not intended to be exhaustive and is qualified in its entirety by reference to such statutes.

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

As noted above, and pursuant to Chapter 170, Florida Statutes, and the Act, the District may directly levy, collect and enforce the Series 2026 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 2026 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 2026 Assessments and the ability to foreclose the lien of such Series 2026 Assessments upon the failure to pay such Series 2026 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 2026 Assessments. See "BONDOWNERS' RISKS" herein.

### **Uniform Method Procedure**

Subject to certain conditions, the District may alternatively elect to collect the Series 2026 Assessments using the Uniform Method. The Uniform Method is available only in the event the District complies with statutory and regulatory requirements and enters into agreements with the Tax Collector and Property Appraiser providing for the Series 2026 Assessments to be levied and collected in this manner.

If the Uniform Method is used, the Series 2026 Assessments will be collected together with County, school, special district, and other ad valorem taxes and non-ad valorem assessments (together, "Taxes and Assessments"), all of which will appear on the tax bill (also referred to as a "tax notice") issued to each landowner in the District. The statutes relating to enforcement of Taxes and Assessments provide that such Taxes and Assessments become due and payable on November 1 of the year when assessed, or as soon thereafter as the certified tax roll is received by the Tax Collector, and constitute a lien upon the land from January 1 of such year until paid or barred by operation of law. Such Taxes and Assessments, including the Series 2026 Assessments, are to be billed together 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 2026 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 2026 Assessments are to be collected pursuant to the Uniform Method, any failure to pay any one line item would cause the Series 2026 Assessments to not be collected to that extent, which could have a significant adverse effect on the ability of the District to make full or punctual payment of Debt Service on the Series 2026 Bonds.

Under the Uniform Method, if the Series 2026 Assessments are paid during November when due or during the following three (3) months, the taxpayer is granted a variable discount equal to four percent (4%) in November and decreasing one percentage point per month to one percent (1%) in February. All unpaid Taxes and Assessments become delinquent on April 1 of the year following assessment.

The Tax Collector is required to collect the Taxes and Assessments on the tax bill prior to April 1 and, after that date, to institute statutory procedures upon delinquency to collect such Taxes and Assessments through the sale of "tax certificates," as discussed below. Delay in the mailing of tax notices to taxpayers may result in a delay throughout this process. Neither the District nor the Underwriter can give any assurance to the holders of the Series 2026 Bonds that (a) the past experience of the Tax Collector with regard to tax and special assessment delinquencies is applicable in any way to the Series 2026 Assessments, (b) future landowners and taxpayers in the District will pay such Series 2026 Assessments, (c) 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 (d) 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 2026 Assessments and all other liens that are coequal therewith.

Collection of delinquent Series 2026 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 2026 Assessments due. Prior to the sale of tax certificates, the landowner may bring current the delinquent Taxes and

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

If there are no bidders, the tax certificate is issued to the County. The County is to hold, but not pay for, the tax certificate with respect to the property, bearing interest at the maximum legal rate of interest, which is currently eighteen percent (18%). The Tax Collector does not collect any money if tax certificates are issued, or "struck off," to the County. The County may sell such certificates to the public at any time after issuance, but before a tax deed application is made, at the face amount thereof plus interest at the rate of not more than eighteen percent (18%) per annum, costs and charges. Proceeds from the sale of tax certificates are required to be used to pay Taxes and Assessments (including the Series 2026 Assessments), interest, costs and charges on the real property described in the certificate.

Any tax certificate in the hands of a person other than the County may be redeemed and canceled, in whole or in part (under certain circumstances), at any time before a tax deed is issued (unless full payment for a tax deed is made to the clerk of court, including documentary stamps and recording fees), at a price equal to the face amount of the certificate or portion thereof together with all interest, costs, and charges due. Regardless of the interest rate actually borne by the certificates, persons redeeming tax certificates must pay a minimum interest rate of five percent (5%), unless the rate borne by the certificates is zero percent (0%). The proceeds of such 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.

Any holder, other than the County, of a tax certificate that has not been redeemed has seven (7) years from the date of issuance of the tax certificate during which to act against the land that is the subject of the tax certificate. After an initial period ending two (2) years from April 1 of the year of issuance of a certificate, during which period actions against the land are held in abeyance to allow for sales and redemptions of tax certificates, and before the expiration of seven (7) 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 (2) 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 governing board of the County that the property is available. At any time within ninety (90) days from the date the property is placed on the list, the County may purchase the land for the opening bid or may waive its rights to purchase the property. Thereafter, and without further notice or advertising, any person, the County or any other governmental unit may purchase the land by paying the amount of the opening bid. Ad valorem taxes and non-ad valorem assessments accruing after the date of public sale do not require repetition of the bidding process but are added to the minimum bid. Three (3) years from the date the property was offered for sale, unsold lands escheat to the County in which they are located, free and clear, and all tax certificates and liens against the property are canceled and a deed is executed vesting title in the governing board of such County.

There can be no guarantee that the Uniform Method will result in the payment of Series 2026 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 2026 Assessments, which are the primary source of payment of the Series 2026 Bonds. Additionally, legal proceedings under federal bankruptcy law brought by or against a landowner who has not yet paid his or her

property taxes or assessments would likely result in a delay in the sale of tax certificates. See "BONDOWNERS' RISKS" herein.

## **THE DISTRICT**

### **General**

The District is a local unit of special purpose government duly organized and existing under the provisions of the Act and established by the Ordinance. The boundaries of the District include approximately 210.63 acres of land located entirely within an unincorporated area of the County and are coterminous with the boundaries of the Development.

### **Legal Powers and Authority**

The Act was enacted in 1980 to provide a uniform method for the establishment of independent districts to manage and finance basic community development services, including capital infrastructure required for community developments throughout the State. The Act provides legal authority for community development districts (such as the District) to finance the acquisition, construction, operation and maintenance of the major infrastructure for community development.

The Act provides that community development districts have the power to issue general obligation, revenue and special assessment revenue debt obligations in any combination to pay all or part of the cost of infrastructure improvements authorized under the Act. The Act further provides that community development districts have the power under certain conditions to levy and assess ad valorem taxes or non-ad valorem assessments, including the Series 2026 Assessments, on all taxable real property within their boundaries to pay the principal of and interest on debt obligations issued and to provide for any sinking or other funds established in connection with any such debt obligation issues. Pursuant to the Act, such assessments may be levied, collected and enforced in the same manner and time as county property taxes.

Among other provisions, the Act gives the District's Board of Supervisors the authority to (a) finance, fund, plan, establish, acquire, construct or reconstruct, enlarge or extend, equip, operate and maintain systems and facilities for: (i) water management and control for lands within the District and to connect any of such facilities with roads and bridges; (ii) water supply, sewer and wastewater management reclamation and re-use systems or any combination thereof, and to construct and operate connecting intercepting 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 applicable specifications of the County; roads and improvements to existing roads that are owned by or conveyed to the local general-purpose government, the State, or the federal government; street lights; alleys; landscaping; hardscaping; undergrounding of electric utility lines; buses, trolleys, transit shelters, ridesharing facilities and services, parking improvements, and related signage; (iv) conservation areas, mitigation areas, and wildlife habitat, including the maintenance of any plant or animal species, and any related interest in real or personal property; (v) any other project, facility or service required by a development approval, interlocal agreement, zoning condition, or permit issued

by a governmental authority with jurisdiction in the District; and (vi) with the consent of the local general-purpose government within the jurisdiction of which the power is to be exercised, parks and facilities for indoor and outdoor recreational uses; and security, including, but not limited to, guardhouses, fences and gates, and electronic intrusion-detection systems; (b) borrow money and issue bonds of the District; (c) levy, collect and enforce special assessments; (d) impose and foreclose special assessment liens as provided in the Act; and (e) exercise all other powers, necessary, convenient, incidental or proper in connection with any of the powers or duties of the District authorized by the Act.

The Act does not empower the District to adopt and enforce 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 of 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 such bonds, including the Series 2026 Bonds.

### **Board of Supervisors**

The Act provides for a five-member Board of Supervisors (as previously defined, the "Board") to serve as the governing body of the District. At the initial meeting of the landowners, members of the Board (the "Supervisors") must be elected by the landowners with the two (2) Supervisors receiving the highest number of votes to serve for a four-year term and the remaining Supervisors to serve for a two-year term. Three (3) of the five (5) Supervisors are elected to the Board every two (2) years in November. At such election, the two (2) Supervisors receiving the highest number of votes are elected to four-year terms and the remaining Supervisor is elected to a two-year term. Until the later of six (6) years after the initial appointment of Supervisors or the year in which there are at least 250 qualified electors in the District, or such earlier time as the Board may decide to exercise its ad valorem taxing power, the Supervisors are elected by vote of the landowners of the District. Ownership of the land within the District entitles the owner to one vote per acre (with fractions thereof rounded upward to the nearest whole number and, for purposes of determining voting interests, platted lots are counted individually and rounded up to the nearest whole acre and are not to 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 (18) years of age, a resident of the District and the State, and a citizen of the United States. At the election where Supervisors are first elected by qualified electors, two (2) Supervisors must be qualified electors and be elected by qualified electors, both to a four-year term. The other Supervisor will be elected by landowners for a four-year term. Thereafter, as terms expire, all Supervisors must be qualified electors elected by qualified electors and are elected to serve staggered 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.

The current members of the Board and their respective term expiration dates are set forth below.

<u>Name</u>	<u>Title</u>	<u>Expiration of Term</u>
Michael S. Lawson*	Chairman	November 2026
Doug Draper*	Vice Chairman	November 2026
Lori Price*	Assistant Secretary	November 2028
Christie Ray*	Assistant Secretary	November 2028
Brittany Crutchfield*	Assistant Secretary	November 2026

\* Affiliate or employee of the Developer.

The Act empowers the Board to adopt administrative rules and regulations with respect to any projects of the District, and to enforce penalties for the violation of such rules and regulations. The Act permits the Board to levy taxes under certain conditions, and to levy special assessments, and to charge, collect and enforce fees and user charges for use of District facilities.

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

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

Kai Connected, LLC d/b/a Kai ("Kai") has been retained as the firm to provide district management services for the District (in such capacity, the "District Manager"). The District Manager's office is located at 2502 North Rocky Point Drive, Suite 1000, Tampa, Florida 33607 and their phone number is (813) 565-4663.

It should be noted that Metro Development Group, L.L.C., an affiliate of the Developer, holds a controlling interest in Kai. Pursuant to Section 190.007, Florida Statutes, it is not a conflict of interest under Chapter 112, Florida Statutes, for the district manager to be a stockholder, officer, or employee of a landowner or of an entity affiliated with a landowner. See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2026 BONDS – Additional Covenant Regarding Termination of District Manager Upon Event of Default" herein.

The District Manager's typical responsibilities can briefly be summarized as directly overseeing and coordinating the District's planning, financing, purchasing, staffing, and reporting and acting as governmental liaison for the District. The District Manager's responsibilities also include requisitioning moneys to pay construction contracts and the related accounting and reporting that is required by the Indenture.

The Act further authorizes the Board to hire such employees and agents as it deems necessary. Thus, the District has employed the services of Nabors, Giblin & Nickerson, P.A., Tampa, Florida, as Bond Counsel and Disclosure Counsel; Straley Robin Vericker P.A., Tampa, Florida, as District Counsel; Stantec Consulting Services Inc., Tampa, Florida, as

Consulting Engineer; and Kai Connected, LLC d/b/a Kai, Tampa, Florida, as Assessment Consultant.

**PRIOR DISTRICT INDEBTEDNESS**

On April 9, 2024, the District issued its \$20,000,000 Capital Improvement Revenue Bonds, Series 2024 (Assessment Area One) (the "Series 2024 Bonds"), in order to finance certain public infrastructure improvements (the "Assessment Area One Project") for the benefit of the lands within Pods A, B and C of the Development, planned to include 494 single-family residential units ("Assessment Area One"). The Series 2024 Bonds are currently Outstanding in the principal amount of \$17,210,000 and are secured by Assessments levied on the 494 platted lots in Assessment Area One. The Series 2024 Bonds do not have a lien on the Series 2026 Trust Estate and are not secured by Assessments on the same lands as the Series 2026 Assessments. See "THE DEVELOPMENT – Update on Assessment Area One" herein.

**THE CAPITAL IMPROVEMENT PROGRAM AND THE ASSESSMENT AREA TWO PROJECT**

Stantec Consulting Services Inc. (the "Consulting Engineer") prepared the Bond Validation Report of the District Engineer dated November 16, 2021 (the "Master Engineer's Report"), as supplemented by the Report of the District Engineer – Capital Improvement Revenue Bonds, Series 2026 (Assessment Area Two) dated March 20, 2026 (the "Supplemental Engineer's Report" and, together with the Master Engineer's Report, the "Engineer's Report"), which are attached hereto as composite APPENDIX A. The Engineer's Report sets forth certain public infrastructure improvements associated with the development of the 212 townhome and 494 single-family residential units planned for the District Lands (the "CIP"). See "APPENDIX A – ENGINEER'S REPORT" for a description of the improvements constituting the CIP.

Land development for the Development is being phased. Two (2) assessment areas have been created in order to facilitate the District's financing plans. The District previously issued its Series 2024 Bonds to finance a portion of the CIP benefiting Pods A, B and C of the Development (as previously defined, the "Assessment Area One Project"), which are planned to contain 494 single-family residential units (as previously defined, "Assessment Area One"). See "PRIOR DISTRICT INDEBTEDNESS" and "THE DEVELOPMENT – Update on Assessment Area One" herein.

The Series 2026 Bonds are being issued in order to finance a portion of the CIP benefiting Pod D of the Development (the "Assessment Area Two Project"), which is planned to contain 212 townhome units (as previously defined, "Assessment Area Two"). The Consulting Engineer estimates the total cost of the Assessment Area Two Project to be approximately \$10.055 million, as more particularly described below:

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<b>Infrastructure</b>	<b>Master</b>	<b>Subdivision</b>	<b>Total</b>
District Roads	\$896,900	\$ 807,600	\$1,704,500
Water Management & Control	677,400	3,781,600	4,459,000
Sanitary Sewer & Wastewater Management	24,600	797,100	821,700
Potable Water Supply	344,500	806,100	1,150,600
Undergrounding of Electrical Supply	0	318,000	318,000
Landscaping/Irrigation/Hardscaping	420,000	445,200	865,200
Professional Services/Fees/Perf. Bonds	100,000	636,000	736,000
<b>Total</b>	<b>\$2,463,400</b>	<b>\$7,591,600</b>	<b>\$10,055,000</b>

Clearing and mass grading within Assessment Area Two has commenced and land development within Assessment Area Two is expected to be completed by June 2027. As of June 2026, the Developer had spent approximately \$5.5 million (hard and soft costs) towards land development within Assessment Area Two, including clearing, mass grading and improvements related to master roadways. See "THE DEVELOPMENT – Development Plan and Status" herein. Assessment Area Two constitutes the final phase of the Development within the District.

Net proceeds of the Series 2026 Bonds available to finance a portion of the Assessment Area Two Project are anticipated to be approximately \$5.5 million\*. In connection with the issuance of the Series 2026 Bonds, the Developer will enter into the Completion Agreement whereby it will agree to fund the completion of the Assessment Area Two Project to the extent that net proceeds of the Series 2026 Bonds are insufficient therefor. See "THE DEVELOPMENT – Land Acquisition and Finance Plan," "THE DEVELOPMENT – Developer Agreements," and "BONDOWNERS' RISKS – Completion of Assessment Area Two Project" herein.

The Consulting Engineer has indicated that all permits necessary to construct the Assessment Area Two Project have been obtained or are expected to be obtained in the ordinary course. In addition to the Engineer's Report, see "THE DEVELOPMENT – Development Approvals and Permits" for a more detailed description of the entitlement and permitting status of the Development. See also "APPENDIX A – ENGINEER'S REPORT" for more information regarding the above improvements and the status of permitting.

## **ASSESSMENT METHODOLOGY AND ALLOCATION OF ASSESSMENTS**

DPFG Management & Consulting, LLC prepared the Master Special Assessment Methodology Report for the Issuance of Capital Improvement Revenue Bonds dated November 16, 2021 (the "Master Assessment Report"), which is attached hereto as part of composite APPENDIX B. In addition, Kai Connected, LLC d/b/a Kai (in such capacity, the "Assessment Consultant") has prepared the Second Supplemental Special Assessment Methodology Report dated March 20, 2026 (the "Supplemental Assessment Report" and together with the Master Assessment Report, the "Assessment Report"), which is attached hereto as part of composite APPENDIX B. Once the final terms of the Series 2026 Bonds are determined, the Supplemental Assessment Report will be revised to reflect such final terms. The Assessment Report sets forth an overall method for allocating the Series 2026 Assessments levied against the lands within Assessment Area Two benefited by the

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\* Preliminary, subject to change.

Assessment Area Two Project and collected by the District as a result thereof. Once levied and imposed, the Series 2026 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 units of government. See "ENFORCEMENT OF ASSESSMENT COLLECTIONS" herein.

The Series 2026 Bonds are payable solely from and secured solely by the Series 2026 Trust Estate which consists primarily of the Series 2026 Assessments. The Series 2026 Assessments will be initially levied on an equal assessment per acre basis over the approximately 35.49 gross acres within Assessment Area Two. As properties are developed and platted, the Series 2026 Assessments will be assigned to the developed and platted properties in accordance with the Assessment Report. It is anticipated that the Series 2026 Assessments will be assigned to the 212 townhome units planned within Assessment Area Two. The table below presents the estimated principal and annual amounts of the Series 2026 Assessments.

<u>Product Type</u>	<u># of Lots</u>	<u>Series 2026 Bonds Principal Per Unit*</u>	<u>Annual Series 2026 Assessments*</u>
Townhome	212	\$30,991	\$2,192

\* Preliminary, subject to change. The annual Series 2026 Assessment level shown assumes collection via the Uniform Method and will be grossed up to account for early payment discounts and fees of the Property Appraiser and Tax Collector. Though not required, the Developer anticipates paying down a portion of the Series 2026 Bonds principal allocated to each lot at the time of closing with the Builder in order to reduce the annual Series 2026 Assessments to an amount equal to the maximum annual assessment level set forth in the Builder Contract, which is \$700 per townhome lot. See "THE DEVELOPMENT – Builder Contract and Participating Builder" herein. The total expected principal paydown for the 212 lots within Assessment Area Two will be approximately \$4,470,000, which amount is subject to change.

*The following 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 the District or its counsel, the Underwriter or its counsel, or Bond Counsel, and no person other than the Developer makes any representation or warranty as to the accuracy or completeness of such information supplied by it. The following information is provided by the Developer as a means for prospective bondholders to understand the anticipated development plan and risks associated with the Development. The Developer is not guaranteeing payment of the Series 2026 Bonds or the Series 2026 Assessments.*

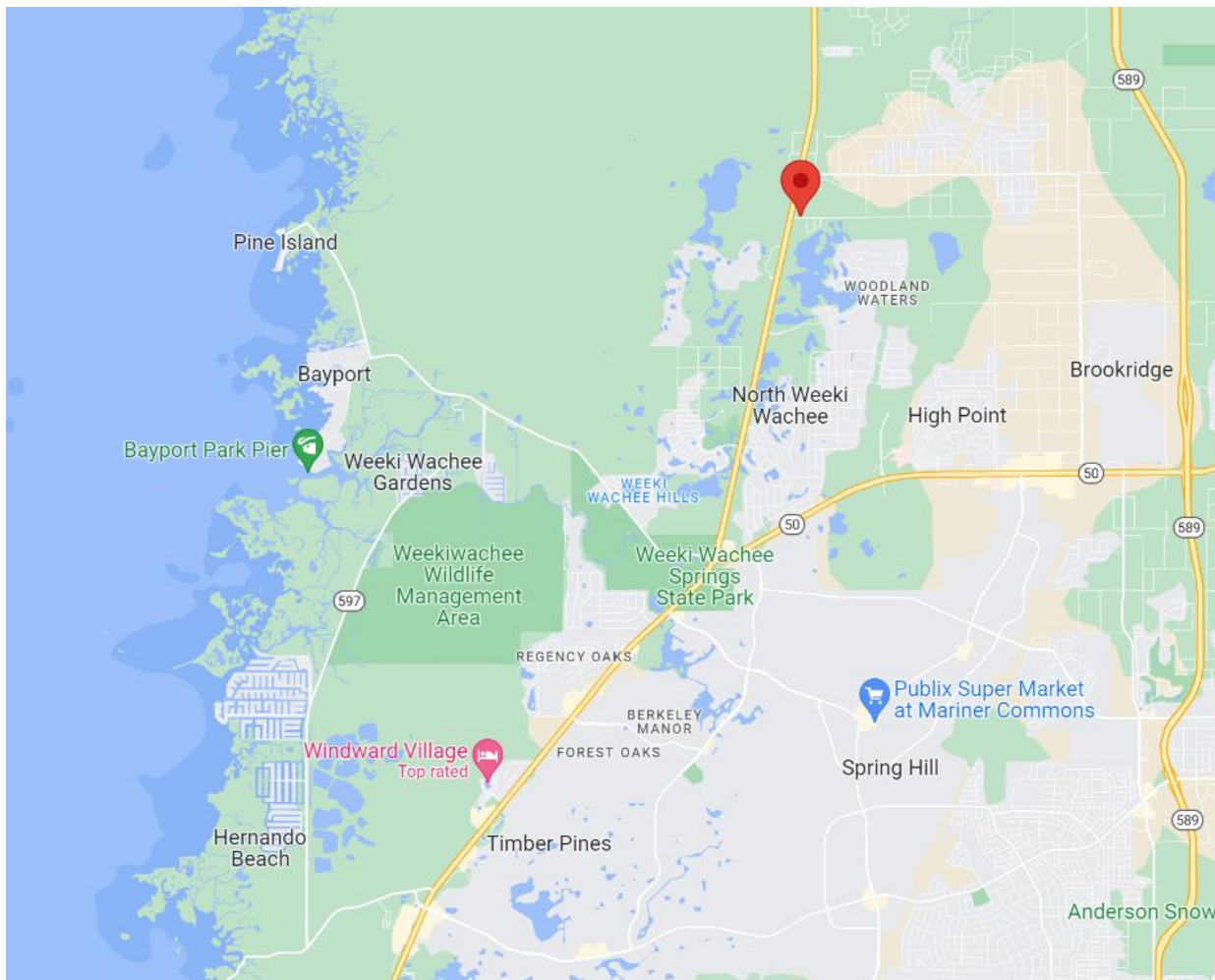
## **THE DEVELOPMENT**

### **General**

The District Lands encompass approximately 210.63 acres located entirely within an unincorporated area of Hernando County, Florida (as previously defined, the "County") and are being developed as a portion of a master-planned residential community to be known as "Lake Hideaway" (as previously defined, the "Master Development"). The portion of the Master Development located within the District boundary is planned to contain approximately 212 townhome and 494 single-family residential units (as previously defined,

the "Development"). There are approximately 674 additional acres of land outside of the District boundaries encompassing the balance of the Master Development, approximately 304 acres of which are located within the boundary of the Lake Hideaway II Community Development District. At buildout, the Master Development is currently expected to contain approximately 2,918 townhome and single-family residential units. The Master Development is located south of Hexam Road, north of Star Road and east of US highway 19, which flows directly to employment and shopping areas within the cities of Weeki Wachee and Spring Hill. Weeki Wachee Springs State Park and Hernando Beach are approximately ten (10) and twenty (20) minutes from the Master Development, respectively. The Master Development is anticipated to be highly amenitized and is expected to include an approximately 6-acre lagoon area amenity feature with associated ancillary facilities. See "- Recreational Amenities" below.

The map below shows the general location of the Master Development.

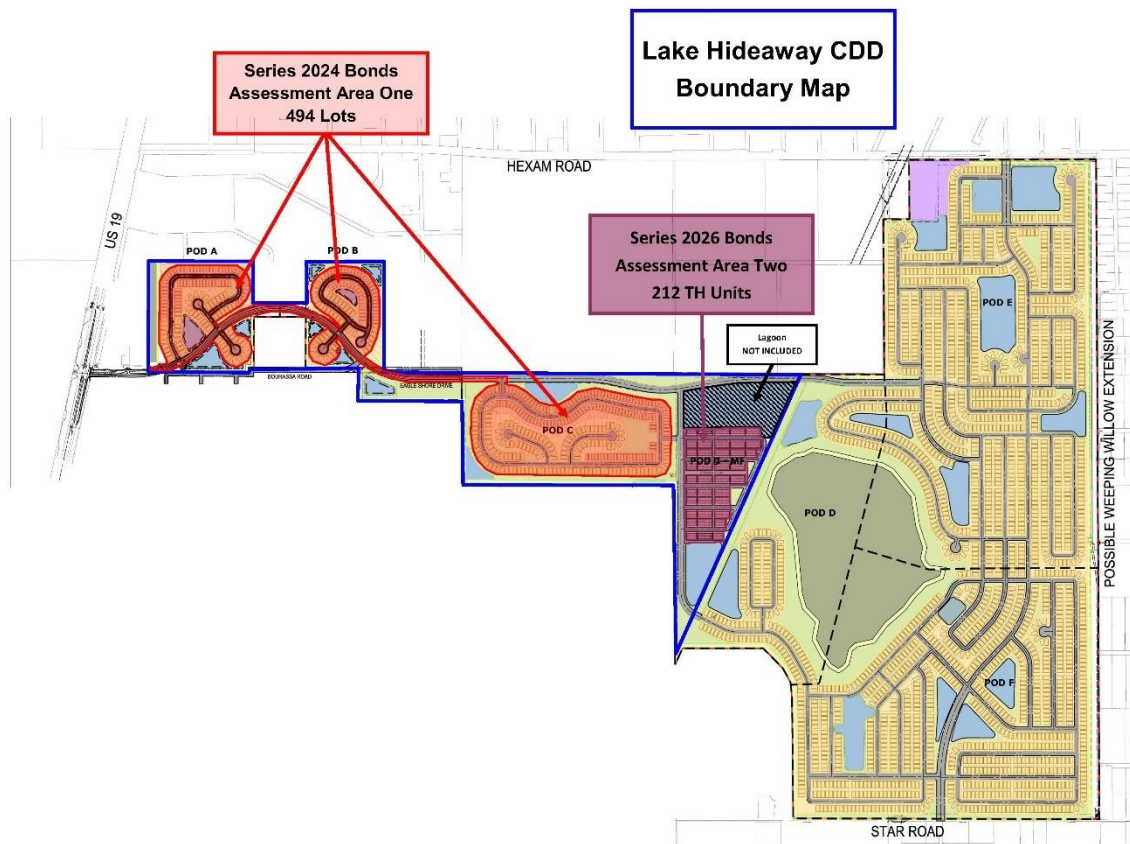


Land development for the Development is being phased. Two (2) assessment areas have been created in order to facilitate the District's financing plans. The District previously issued its Series 2024 Bonds to finance a portion of the CIP (as previously defined, the "Assessment Area One Project") benefiting Pods A, B and C of the Development which are planned to contain 494 single-family residential units (as previously defined, "Assessment

Area One"). See "PRIOR DISTRICT INDEBTEDNESS" herein and "- Update on Assessment Area One" below.

The second and final phase of land development associated with the Development consists of approximately 35.49 gross acres consisting of Pod D of the Development which is planned to contain 212 townhome units (as previously defined, "Assessment Area Two"). The portion of the CIP benefiting Assessment Area Two is referred to herein as the "Assessment Area Two Project." The Series 2026 Bonds are being issued in order to finance a portion of the Assessment Area Two Project.

The map below shows the two (2) assessment areas within the District.



Hawk Lake Hideaway, LLC, a Delaware limited liability company (as previously defined, the "Developer"), is the landowner and developer of all of the undeveloped lands, and developed lots that have not otherwise been sold to a builder, in the District, including all of the lands within Assessment Area Two. The Developer has entered into a contract (the "Builder Contract") with Lennar Homes, LLC, a Florida limited liability company (the "Builder"), for the sale of all 212 townhome lots planned within Assessment Area Two. See "- Builder Contract and Participating Builder" below. Average home prices within

Assessment Area Two are expected to range from approximately \$200,000 to \$225,000. See "– Residential Product Offerings" below.

### **Update on Assessment Area One**

The District previously issued its Series 2024 Bonds in order to finance a portion of the Assessment Area One Project. See "PRIOR DISTRICT INDEBTEDNESS" herein. The Assessment Area One Project is approximately ninety percent (90%) complete and all 494 planned lots within Assessment Area One have been developed and platted. Of the 494 platted lots within Assessment Area One, as of June, 2026, 155 lots have closed with builders, including ninety-eight (98) lots that have closed with D.R. Horton, Inc., a Delaware corporation ("Horton"), and fifty-seven (57) lots that have closed with KB Home Tampa LLC, a Delaware limited liability company ("KB Home"). Pursuant to the builder contract with Horton, 170 lots remain to be taken down by Horton, and pursuant to the builder contract with KB Home, 169 lots remain to be taken down by KB Home. Initial lot delivery of completed lots within Assessment Area One to Horton and KB Home commenced in April 2025 and May 2025, respectively, at which point sales and vertical construction commenced. The Developer anticipates that the remaining 170 lots will be taken down by Horton by December 2027 and the remaining 169 lots will be taken down by KB Home by December 2027. As of June 2026, forty-seven (47) homes have closed with homebuyers.

Set forth below is an aerial depicting the current status of Assessment Area One within the Development.



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

The Developer acquired the lands comprising the Master Development, including the lands within the Development, from October 2021 through February 2025 for an aggregate

purchase price of approximately \$18 million. There is currently an Amended and Restated Mortgage, Security Agreement, Assignment of Leases and Rents and Fixture Financing Statement (the "Mortgage") that encumbers all of the District Lands owned by the Developer, including Assessment Area Two. The Mortgage is based on an Aggregate Borrowing Base Value (as defined in the hereinafter defined Loan Agreement), and, specifically with respect to property within the Master Development, secures a loan in the principal amount of approximately \$42.1 million (the "Loan") in favor of Lot HV VIII LLC, a Delaware limited liability company (the "Lender"). The Loan is currently outstanding in the amount of approximately \$40.8 million, including principal and accrued interest, with interest payable monthly and principal payable on the maturity date of March 31, 2030, which date may be extended by twelve (12) month extensions pursuant to the Loan Agreement. The Loan is governed by a Revolving Loan Agreement dated as of March 31, 2026 (the "Loan Agreement"), between Hawk Land Investors New, LLC, a Delaware limited liability company ("Hawk Land"), and the Lender. The Loan Agreement provides for subsidiaries of Hawk Land, such as the Developer, to request and receive loans, such as the Loan, from the Lender with respect to different projects and properties owned by various subsidiaries from time to time, subject to the terms of the Loan Agreement. The Loan and any other loans provided under the Loan Agreement are referred to herein collectively as the "Loan Agreement Loans." The Loan Agreement provides for a maximum outstanding aggregate principal amount of \$600 million, and the current outstanding principal amount of the Loan Agreement Loans is approximately \$315 million.

Under the terms of the Loan, the Developer has assigned all of its interests in the Builder Contract to the Lender and further, with the Lender's consent, the Builder Deposit has been released to the Developer in order to fund development costs. In connection with the release of the Builder Deposit, a consensual lien has been recorded in favor of the Builder, which burdens the underlying lands that are subject to sale as finished lots under the Builder Contract. Such lien has been approved by the Lender. See "- Builder Contract and Participating Builder" below.

In accordance with the Loan Agreement and the Loan, 100% of the net cash sale proceeds from the sale of each lot within the Development is required to be applied first to the payment of the Loan before any portion of such net sale proceeds may be distributed to the Developer. In accordance with the Loan Agreement, the Mortgage and the Loan are cross collateralized with any other Loan Agreement Loans made by the Lender under the Loan Agreement with respect to the Development or any other projects unrelated to the Development, and such Loan Agreement Loans, including the Loan, are subject to cross default as a result of delinquencies and events of default as specified in the Loan Agreement which may or may not be related to the Development. There are currently ten (10) Loan Agreement Loans outstanding under the Loan Agreement, including the Loan, for projects planned for a total of 13,534 lots.

The Developer anticipates the total costs of the public infrastructure benefiting Assessment Area Two will be approximately \$10.055 million, inclusive of hard and soft costs. As of June 2026, the Developer had spent approximately \$5.5 million (hard and soft costs) toward the Assessment Area Two Project, including clearing, mass grading and improvements related to master roadways. A portion of the Assessment Area Two Project will be funded in part with net proceeds from the Series 2026 Bonds in the approximate

amount of \$5.5 million\*. In connection with the issuance of the Series 2026 Bonds, the Developer will enter into the Completion Agreement whereby it will agree to fund the completion of the Assessment Area Two Project to the extent that net proceeds of the Series 2026 Bonds are insufficient therefor. See "– Developer Agreements" below and "BONDOWNERS' RISKS – Completion of Assessment Area Two Project" herein. The Developer anticipates that costs not funded by net proceeds of the Series 2026 Bonds will be financed with the proceeds of the Loan.

Though not required, the Developer anticipates paying down a portion of the Series 2026 Bonds principal allocated to each lot at the time of closing with the Builder in order to reduce the annual Series 2026 Assessments to an amount equal to the maximum annual assessment level set forth in the Builder Contract, which is \$700 per townhome lot. See "– Builder Contract and Participating Builder" and "– Taxes, Fees, and Assessments" below. The total expected principal paydown for the 212 lots within Assessment Area Two will be approximately \$4,470,000, which amount is subject to change.

### Development Plan and Status

Land development for the Development will be broken into four (4) Pods, consisting of Pods A, B, C and D, which collectively are planned to include 212 townhome and 494 single-family residential units. The table below presents the number of units by product type for the four (4) development phases, which information is subject to change.

Product Type	Assessment Area One			Assessment Area Two	Total
	Pod A	Pod B	Pod C	Pod D	
Townhome	0	0	0	212	212
Single-family 40'	68	45	147	0	260
Single-family 50'	57	42	135	0	234
<b>Total</b>	<b>125</b>	<b>87</b>	<b>282</b>	<b>212</b>	<b>706</b>

All lands within Assessment Area Two have been cleared and mass graded. Infrastructure installation is anticipated to occur as set forth in the table below:

Pod	# of Lots	Parcel Infrastructure Commencement	Parcel Infrastructure Completion	Expected Plat Date
D	212	June 2026	June 2027	January 2027

Set forth below is an aerial depicting the current status of Pod D within the Development and the land upon which the lagoon will be constructed, which abuts the north boundary of Pod D but is located outside of the District boundaries.

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\* Preliminary, subject to change.



Lots will be delivered to the Builder upon completion of development of Assessment Area Two and marketing and construction of residential units will commence soon thereafter. See "– Builder Contract and Participating Builder" below for more information regarding timing of lot deliveries to the Builder. Closings with homebuyers within Assessment Area Two are expected to commence in September 2027. It is expected that approximately 100 homes within Assessment Area Two will be sold and closed per year until buildout. These anticipated absorption rates are based upon estimates and assumptions made by the Builder that are inherently uncertain, though considered reasonable by the Builder, 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, the Development Manager (hereinafter defined) and the Builder. As a result, there can be no assurance such absorption rates will occur or be realized in the time frames anticipated.

**Builder Contract and Participating Builder**

Lennar Homes, LLC, a Florida limited liability company (as previously defined, the "Builder"), is currently under contract with the Developer (the "Builder Contract") to purchase all of the 212 townhome lots planned within Assessment Area Two (the "Lots"), which will all be subject to the Series 2026 Assessments. The total consideration under the Builder Contract for the Lots is approximately \$14,840,000, inclusive of any Additional Consideration (hereinafter defined).

The Builder Contract became effective on April 3, 2024, and was subsequently amended. The inspection period under the Builder Contract expired and the Builder delivered a Notice to Proceed (as defined in the Builder Contract) to proceed with the acquisition of Lots. The Builder has also delivered an aggregate deposit in the amount of \$1,725,000 (the "Builder Deposit") which has been released to the Developer. In connection with the release of the Builder Deposit, a lien which secures the Developer's obligations under

the Builder Contract (the "Builder Lien") was recorded, burdening the Lots. The Builder Deposit is generally non-refundable, once it has been fully released, unless the Developer does not perform as required under the Builder Contract.

Pursuant to the Builder Contract, the Developer is required to deliver 140 Lots to the Builder at the initial closing (the "Initial Closing"), with a final closing of approximately seventy-two (72) lots 365 days thereafter. The Developer currently expects to deliver Lots for the initial takedown by September 2027. The Lots are initially priced at \$62,000 per Lot. From and after the date of the Initial Closing, Lots subject to future lot takedowns are subject to a price escalator at the rate of six percent (6%) simple interest per year. In addition, the Builder is required to pay to the Developer an additional fee based on the amount by which the Builder is ultimately able to sell improved Lots to end users ("Additional Consideration").

At closing of the Lots with the Builder, the Developer anticipates making a partial prepayment of the Series 2026 Assessments on such Lots in order to reduce the annual Series 2026 Assessments to approximately \$700 per Lot as required under the Builder Contract. See "ASSESSMENT METHODOLOGY AND ALLOCATION OF ASSESSMENTS" herein.

The Builder is a wholly owned subsidiary of Lennar Corporation ("Lennar Corp"), which was founded in 1954, has homebuilding operations in fifteen (15) states and is one of the nation's leading builders of quality homes for all generations, building affordable, first-time, move-up and retirement homes. Lennar Corp stock trades on the New York Stock Exchange under the symbol LEN. Lennar Corp is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and in accordance therewith files reports, proxy statements, and other information with the SEC. The file number for Lennar Corp is 1-11749. Such reports, proxy statements, and other information can be inspected and copied at the Public Reference Room of the SEC at 100 F Street NE, Washington DC 20549 and at the SEC's internet website at [www.sec.gov](http://www.sec.gov). Copies of such materials can be obtained by mail from the Public Reference Room of the SEC at prescribed rates. All documents subsequently filed by Lennar Corp pursuant to the requirements of the Exchange Act after the date of this Limited Offering Memorandum will be available for inspection in the same manner as described above.

THE BUILDER IS NOT GUARANTEEING PAYMENT OF THE SERIES 2026 ASSESSMENTS OR THE SERIES 2026 BONDS.

### **Residential Product Offerings**

The target market for the Development is entry-level and move-up home buyers. The following table reflects the Developer's current expectations for the homes to be constructed in Assessment Area Two, which are subject to change.

<u>Product Type</u>	<u>Average Square Footage</u>	<u>Average Home Price</u>
Townhome	1,800	\$200,000 – \$225,000

### **Development Approvals and Permits**

The Master Development was approved by the Board of County Commissioners of Hernando County, Florida ("BOCC") as a Combined-Planned Development Project ("C-PDP")

in February 2010, and a master plan revision was approved by the BOCC on February 8, 2022. The C-PDP allows for the development of a maximum of 3,700 residential units, up to 1,300 of which may be multifamily units, and approximately six (6) acres for potential community recreational facilities within the Master Development. The C-PDP generally governs the conditions under which the Master Development may be developed, and any changes to the conditions identified in the C-PDP would require a modification to the C-PDP, which would need to be approved by the BOCC. Among other items, the C-PDP approval establishes certain conditions pertaining to transportation, roadways, sidewalks, drainage, traffic concurrency, environmental, trails and parks, lighting, landscaping, tree protection and irrigation, and impact fees. As part of the subdivision approval process, and prior to platting of any phase of the Development, the County reviewing agencies will determine compliance with all conditions delineated in the C-PDP. The C-PDP approvals for the lands comprising the Development (including the lands constituting Assessment Area Two) are consistent with the current land use and development plan for those portions of the Development that will be subject to the Series 2026 Assessments, and all conditions of the C-PDP are currently being complied with.

The Development does not require any permits from the Army Corps of Engineers. However, the Development does include some wetlands under the jurisdiction of the Southwest Florida Water Management District ("SWFWMD"). As such, the Developer received an environmental resource individual construction permit from SWFWMD in November 2024 for Assessment Area Two, which authorizes the construction of the stormwater management system therein. In addition, with respect to Assessment Area Two, the County issued construction plan approval in May 2025, the Florida Department of Environmental Protection ("FDEP"), through the Hernando County Utilities Department, issued a domestic wastewater collection/transmission permit in September 2025 and the FDEP issued a potable water transmission permit in October 2025. In addition, the Florida Fish and Wildlife Conservation Commission issued a gopher tortoise take permit in February 2025 for Assessment Area Two. The Development, including Assessment Area Two, has full transportation concurrency based on a traffic study submitted to the County by the Developer, and no additional off-site transportation improvements or improvements needed to satisfy school concurrency requirements are expected to be required in order to obtain further construction permits from the County and other agencies, as required by the C-PDP.

The Consulting Engineer will certify at the closing of the Series 2026 Bonds that there are no known issues which would prevent permits necessary for the installation of the infrastructure relating to the Assessment Area Two Project from being obtained, as necessary, in due course.

## **Environmental**

A Phase I Environmental Site Assessment was prepared by Coastal Engineering Associates, Inc. dated July 2020 (the "ESA"), which covers the lands in the Master Development, including the lands in the Development. The ESA revealed three (3) on-site recognized environmental conditions ("RECs"), involving possible soil contamination due to two (2) burned abandoned automobiles and a dump/debris area within the Master Development, but outside of the District. In August 2020, soil sampling in the areas of the RECs was conducted by Creative Environmental Solutions, Inc. (the "Soil Sampling"), which revealed no significant impacts in the soil in such areas. Only the Developer and certain other

parties are entitled to rely on the ESA or the Soil Sampling, and the information included herein as represented by the ESA and the Soil Sampling is being provided for informational purposes only. See "BONDOWNERS' RISKS – Regulatory and Environmental Risks" herein for more information regarding potential environmental risks. 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.

## **Recreational Amenities**

Metro Lagoons, LLC, a Delaware limited liability company, manages the operations of multiple man-made lagoons on behalf of special purpose entities (collectively, the "Lagoon Developer") that plan, design, construct and own lagoons that are surrounded by sandy beaches and can be used for the practice of water sports and recreational activities year around. The first lagoon in the U.S. was completed in 2018 with an approximately 7.5-acre lagoon area and ancillary facilities located adjacent to the Epperson Ranch Community Development District, the Epperson Ranch II Community Development District, and the Epperson North Community Development District, and the lagoon has been a major driver of sales within such communities. In 2022, a 5-acre lagoon area was completed adjacent to the Hidden Creek Community Development District and the Southshore Bay Community Development District. In addition, the largest lagoon in the U.S. was completed in 2023 with a 15-acre lagoon area adjacent to the Mirada Community Development District and the Mirada II Community Development District. Finally, in 2025, a 5-acre lagoon area was completed adjacent to the Brightwater Community Development District and the Stoneybrook North Community Development District.

The Lagoon Developer is currently in the process of designing, permitting and creating a similar lagoon feature on approximately six (6) acres as part of its plans for the Master Development (the "Main Recreational Amenity"). The Main Recreational Amenity will be funded directly by the Lagoon Developer at a cost in excess of \$5 million and will be located outside of the District boundaries. Construction of the Main Recreational Amenity is anticipated to commence in the fourth quarter of 2026 and is anticipated to be complete by the third quarter of 2027. Residents of the Master Development are all expected to be members of a club plan by virtue of the recordation of a club plan, which will burden the lands within the Master Development (the "Club Plan"). As members of such Club Plan, owners and residents within the Master Development are given membership rights to use such Main Recreational Amenity, subject to the payment of any applicable fees and adherence to the Club Plan. Residents within the Master Development are expected to pay approximately \$600 a year per unit to use the Main Recreational Amenity in accordance with the Club Plan.

In addition to the Main Recreational Amenity, the Development is planned to include various amenities that will provide families the opportunity to create their own lifestyle, which are anticipated to include pedestrian trails, passive parks, benches, pool/cabana, and landscaping, hardscaping, lighting and irrigation within all of these areas.

## **Utilities**

The Development is located within the franchise/service areas of Hernando County Utilities, which will provide water and wastewater/sewer services to the Development.

Withlacoochee River Electrical Cooperative will provide electrical power to the Development and Spectrum will provide cable, data, and telephone services.

**Education**

Children residing in the Development are expected to attend Winding Waters K-8 and Weeki Wachee High School, which were both rated "B" by the Florida Department of Education in 2025 and are both located within five (5) miles of the Development. The Hernando County School Board may change school boundaries from time to time, and there is no requirement that students residing in the Development be permitted to attend the schools which are closest to the Development.

**Taxes, Fees and Assessments**

The Series 2026 Bonds are payable solely from and secured solely by the Series 2026 Trust Estate which consists primarily of the Series 2026 Assessments. The Series 2026 Assessments will be initially levied on an equal assessment per acre basis over the approximately 35.49 gross acres within Assessment Area Two. As properties are developed and platted, the Series 2026 Assessments will be assigned to the developed and platted properties in accordance with the Assessment Report. It is anticipated that the Series 2026 Assessments will be assigned to the 212 townhome units planned within Assessment Area Two.

In addition to the Series 2026 Assessments, all property owners in the District will be subject to annual operation and maintenance assessments ("O&M Assessments") levied by the District which are derived from the District's annual budget and are subject to change each year. The table below illustrates the estimated annual Series 2026 Assessments and the estimated O&M Assessments that will be levied by the District for the 212 townhome units planned within Assessment Area Two.

<u>Product Type</u>	<u># of Lots</u>	<u>Annual Series 2026 Assessments*</u>	<u>Est. Gross Annual O&amp;M Assessments</u>
Townhome	212	\$2,192	\$772

*\* Preliminary, subject to change. The annual Series 2026 Assessment level shown assumes collection via the Uniform Method and will be grossed up to account for early payment discounts and fees of the Property Appraiser and Tax Collector. Though not required, the Developer anticipates paying down a portion of the Series 2026 Bonds principal allocated to each lot at the time of closing with the Builder in order to reduce the annual Series 2026 Assessments to an amount equal to the maximum annual assessment level set forth in the Builder Contract, which is \$700 per townhome lot. See "- Builder Contract and Participating Builder" above. The total expected principal paydown for the 212 lots within Assessment Area Two will be approximately \$4,470,000, which amount is subject to change.*

The current millage rate for the area of the County where the District is located is approximately 14.2756 mills. Assuming an average home price of \$250,000 with a \$25,000 homestead exemption (\$225,000 taxable value), the annual ad valorem property tax would be approximately \$3,212. The Developer has created a homeowner's association ("HOA") for the District, with its main function being architectural review and deed restriction enforcement. The annual HOA fee is anticipated to be approximately \$1,500 per year, on average, regardless of product type, with an additional \$300 start-up fee imposed on each resident, which amounts are subject to change. In addition, each residential unit is also

anticipated to pay approximately \$600 annually for use of the Main Recreational Amenity. The land within the District has been and will continue to be subject to taxes and assessments imposed by taxing authorities other than the District. Exclusive of voter approved millages levied for general obligation bonds, as to which no limit applies, the County and the Hernando County School Board each levy ad valorem taxes upon the land in the District. The District has no control over the level of ad valorem taxes and/or special assessments levied by other taxing authorities. It is possible that in future years taxes levied by these other entities could be substantially higher than in the current year.

## **Competition**

The Development is expected to compete with projects in the Hernando County market, which include Glen Lakes, Woodland Waters and Royal Highlands. This section does not purport to summarize all of the existing or planned communities in the area of the Development, but rather provide a description of those that the Developer feels pose primary competition to the Development.

## **Developer Agreements**

The Developer will enter into an agreement (the "Completion Agreement") that will obligate the Developer to complete any portions of the Assessment Area Two Project not funded with net proceeds of the Series 2026 Bonds.

In addition, the Developer will enter into an agreement (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, certain development rights relating to the Assessment Area Two Project and the development of Assessment Area Two. The Developer has previously granted similar rights ("Prior Collateral Assignment") in connection with the issuance of the Series 2024 Bonds, and such rights under such Prior Collateral Assignment are superior to and may take priority over the rights granted under the Collateral Assignment. Notwithstanding the Collateral Assignment, in the event the District forecloses on the lands subject to the Series 2026 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 Two Project or the development of Assessment Area Two. Further, as noted herein under the subcaption "-- Builder Contract and Participating Builder," there is already a recorded lien in favor of the Builder (as previously defined, the "Builder Lien"), which is under contract with the Developer for the acquisition of finished lots within Assessment Area Two. The Builder will not be providing a written subordination of the Builder Lien to the Collateral Assignment. Accordingly, with respect to intangible personal property rights associated with the Development and covered under the documents governing such lien (the "Intangible Rights"), the Builder may have rights to such Intangible Rights which are superior to the District's rights to such Intangible Rights under the Collateral Assignment. In addition, the Lender may have certain intangible personal property rights assigned to it under the terms of the Loan Agreement and/or Loan and the Mortgage relating to the Development which may be superior to such intangible rights that might otherwise be assigned to the District under the terms of the Collateral Assignment. Finally, lands within the Development are subject to a recorded Club Plan that burdens such lands as it relates to membership within such Club Plan and use of the Main Recreational Amenity which will be

owned by an affiliate of the Developer. No rights related to the Club Plan or the Main Recreational Amenity are being assigned to the District or any other entity under the Collateral Assignment. See "BONDOWNERS' RISKS – Completion of Assessment Area Two Project" herein.

Finally, the Developer will enter into an agreement (the "True-Up Agreement") in connection with its obligation to pay true-up payments in the event that debt levels remaining on unplatted lands in Assessment Area Two increase above the maximum debt levels set forth in the Assessment Report. See "APPENDIX B – ASSESSMENT REPORT" attached hereto for additional information regarding the "true-up mechanism." See also "BONDOWNERS' RISKS – Completion of Assessment Area Two Project" herein.

Such obligations of the Developer are unsecured obligations. The Developer is a special-purpose entity whose assets consist primarily of its interests in the Development. See "THE DEVELOPER" herein for more information regarding the Developer.

## **THE DEVELOPER**

### **General**

Hawk Lake Hideaway, LLC, a Delaware limited liability company (as previously defined, the "Developer"), is currently the landowner and developer of all of the undeveloped lands within the Development. The Developer is wholly owned and controlled by its sole member, Hawk Land Investors New, LLC, a Delaware limited liability company (as previously defined, "Hawk Land"). The membership interests in Hawk Land are ultimately owned and controlled by entities that are wholly owned by Mr. John M. Ryan. Under the Operating Agreement governing the Developer (the "Operating Agreement"), the Developer is manager-managed by Mr. John M. Ryan, and subject to the terms of the Operating Agreement, Mr. Ryan as manager is responsible for managing the operations of Hawk Land on a day-to-day basis.

### **Development Manager**

Under the terms of a Development Agreement (the "Development Agreement"), the Developer has engaged Substantia II, LLC, a Delaware limited liability company (the "Development Manager"), for the purpose of overseeing the day-to-day activities of, among other things, the Development, including planning, entitlement, lot development, sales activities, and to act as the contracting party for third party vendors necessary for the Development, all subject to the terms of the Development Agreement.

The Development Manager utilizes a team of experienced real estate professionals located in Tampa, Florida that has significant hands-on experience developing large master planned residential communities. Those individuals include John M. Ryan, Robert Ahrens and Michael Lawson. This team has led the development of over 51,000 single family lots and has been selected to manage multiple projects in the current market. The Development Manager is controlled by Mr. John M. Ryan, and the Development Manager is ultimately owned, through other, affiliated entities (the "Development Manager Affiliates"), by Mr. Ryan's family. Such Development Manager Affiliates are also managed by Mr. Ryan, either

through Metro Development Group, L.L.C., a Florida limited liability company, or other affiliated entities.

The following are biographies of the management team and key personnel utilized by the Development Manager that will oversee development of the Development.

*John M. Ryan* is the sole manager of the Development Manager. Prior to the Development Manager, Mr. Ryan had a successful career in Canadian real estate development in Toronto and real estate development in Florida. Mr. Ryan's rare combination of big picture vision and attention to detail, along with his extensive experience in residential and commercial development and hands-on approach to every project the company undertakes, have helped the Development Manager and its affiliates become a premier land developer. Mr. Ryan has successfully and simultaneously managed development companies in Canada and the United States. Mr. Ryan holds a degree in Civil Engineering from Queens University, Kingston, Ontario.

*Robert Ahrens* was previously a Senior Vice President at KB Homes in charge of acquisition and development. As a Division President for Lennar Homes, Mr. Ahrens managed assets in excess of \$200 million, and as a Vice President at Arvida, Mr. Ahrens directed a 10,000-acre development, the single largest asset in the company's history. Mr. Ahrens' responsibilities for the Development Manager include identifying and negotiating new opportunities.

*Michael Lawson* serves as the Managing Director of Operations for the Development Manager and oversees all aspects of land development and entitlement for the Development Manager. Mr. Lawson was a pioneer in the formation and financing of community development districts and has two decades of experience rising through the ranks of two of the nation's preeminent homebuilders, U.S. Home and Lennar Homes, ultimately having become a Division President. Mr. Lawson holds an accounting degree from Florida Southern.

Below are residential projects associated with the Development Manager's management team:

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<b>Project Name</b>	<b>County</b>	<b>Total Lots</b>	<b>Status</b>	<b>Completed/Expected Completion Date</b>	<b>Project Type*</b>
Oak Stone East	DeSoto	2,000	Permitting	12/31/2027	SFD/TH
Normandy	Duval	2,500	Active	12/31/2029	SFD/TH
Lake Hideaway	Hernando	1,931	Active	12/31/2030	SFD/TH
Sunrise	Hernando	3,900	Permitting	12/31/2030	SFD/TH
Boyette Creek	Hillsborough	556	Completed	6/30/2005	SFD
Cypress Creek	Hillsborough	1,197	Completed	12/31/2020	SFD/TH
Southshore Bay	Hillsborough	2,800	Active	12/31/2026	SFD/TH
Interbay	Hillsborough	297	Completed	6/30/2007	SFD
Palm River	Hillsborough	300	Completed	12/31/2007	TH
Park Creek	Hillsborough	326	Completed	12/31/2018	SFD
Sereno	Hillsborough	650	Active	12/31/2026	SFD
South Fork East	Hillsborough	757	Completed	12/31/2008	SFD
South Fork West	Hillsborough	939	Completed	3/1/2007	SFD
Southbay	Hillsborough	274	Completed	9/30/2006	SFD
Spencer II	Hillsborough	139	Completed	6/30/2006	SFD
Tuscany Bay	Hillsborough	150	Completed	12/31/2020	SFD
Waterleaf	Hillsborough	623	Completed	12/31/2021	SFD
Brightwater	Lee	1,475	Active	12/31/2026	SFD/TH
Curiosity Creek	Manatee	1,500	Permitting	12/31/2028	SFD/TH
Emmer	Manatee	128	Permitting	12/31/2022	TH
Glen Creek	Manatee	1,020	Active	12/31/2026	SFD
Parrish Lakes	Manatee	1,606	Active	12/31/2029	SFD/TH
Kissimmee Park	Osceola	2,800	Permitting	12/31/2028	SFD/TH
Angeline	Pasco	7,500	Active	12/31/2032	SFD/TH
Chapel Pines	Pasco	614	Completed	5/31/2006	SFD
Epperson	Pasco	1,999	Active	12/31/2025	SFD/TH
Epperson North	Pasco	1,856	Active	12/31/2026	SFD/TH
Hidden River	Pasco	325	Completed	12/31/2020	SFD
Meadow Ridge	Pasco	658	Active	12/31/2025	TH
Mirada	Pasco	5,150	Active	12/31/2026	SFD/TH
Serengeti	Pasco	164	Active	12/31/2026	SFD
Silverado Ranch	Pasco	502	Completed	12/31/2020	SFD
Highland Trails	Pasco	700	Active	12/31/2025	SFD
Union Park	Pasco	1,581	Active	12/31/2023	SFD/TH
Zephyr Lakes	Pasco	588	Active	12/31/2024	SFD/TH
Hampton Hills South	Polk	911	Completed	12/31/2020	SFD/TH
Leomas Landing	Polk	336	Active	12/31/2026	SFD
Oak Landing	Polk	96	Completed	6/30/2006	SFD
Squire Groves	Polk	357	Completed	12/31/2020	SFD
<b>Total</b>		<b>51,205</b>			

\* SFD = Single-Family Development; TH = Townhome

*Neither the Developer, the Development Manager, nor any of the individuals or entities listed above is guaranteeing payment of the Series 2026 Bonds or the Series 2026 Assessments.*

## **BONDOWNERS' RISKS**

There are certain risks inherent in an investment in bonds secured by special assessments issued by a public authority or governmental body in the State. Certain of these risks are described in the section above entitled "ENFORCEMENT OF ASSESSMENT COLLECTIONS." However, certain additional risks are associated with the Series 2026 Bonds offered hereby. This section does not purport to summarize all risks that may be associated with purchasing or owning the Series 2026 Bonds and prospective purchasers are advised to read this Limited Offering Memorandum including all appendices hereto in its entirety to identify investment considerations relating to the Series 2026 Bonds.

### **Limited Pledge**

The principal security for the payment of Debt Service on the Series 2026 Bonds is the timely collection of the Series 2026 Assessments. The Series 2026 Assessments do not constitute a personal indebtedness of the owners of the land subject thereto but are secured by a lien on such land. There is no assurance that the Developer or any subsequent landowner will be able to pay the Series 2026 Assessments or that they will pay such Series 2026 Assessments even though financially able to do so. Neither the Developer nor any subsequent landowner is a guarantor of payment of any Series 2026 Assessment and the recourse for the failure of the Developer or any subsequent landowner to pay the Series 2026 Assessments is limited to the collection proceedings against the land. See "ENFORCEMENT OF ASSESSMENT COLLECTIONS" herein. The District has not granted, and may not grant under State law, a mortgage or security interest in the Assessment Area Two Project. Furthermore, the District has not pledged the revenues, if any, from the operation of the Assessment Area Two Project as security for, or a source of payment of, the Series 2026 Bonds. The Series 2026 Bonds are payable solely from, and secured solely by, the Series 2026 Trust Estate, including the Series 2026 Assessments. The failure of the Developer or any subsequent landowner to pay the required Series 2026 Assessment on its property will not result in an increase in the amount of Series 2026 Assessments other landowners are or would be required to pay.

### **Concentration of Land Ownership and Bankruptcy Risks**

Initially, payment of the Series 2026 Assessments is substantially dependent upon their timely payment by the Developer. In the event of the institution of bankruptcy or similar proceedings with respect to the Developer or any other subsequent significant owner of property subject to the Series 2026 Assessments, delays and impairment could occur in the payment of Debt Service on the Series 2026 Bonds as such bankruptcy could negatively impact the ability of (a) the Developer or any other landowner being able to pay the Series 2026 Assessments, (b) the County to sell tax certificates in relation to such property with respect to the Series 2026 Assessments being collected pursuant to the Uniform Method, and (c) the District's ability to enforce collection with respect to the Series 2026 Assessments not being collected pursuant to the Uniform Method. In addition, the remedies available to the Owners of the Series 2026 Bonds, the Trustee and the District 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 during a bankruptcy of the Developer or any other landowner, the remedies specified by federal, State and local law and in the Indenture and the Series 2026

Bonds, including, without limitation, enforcement of the obligation to pay Series 2026 Assessments and the ability of the District to foreclose the lien of the Series 2026 Assessments, may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2026 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 available remedies respecting the Series 2026 Bonds could have a material adverse impact on the interest of the Owners thereof.

### **Delay and Discretion Regarding Remedies**

Beyond legal delays that could result from bankruptcy, the ability of the County to sell tax certificates in regard to delinquent Series 2026 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 (2) years. Similarly, the ability of the District to enforce collection of delinquent Series 2026 Assessments collected directly by the District will be dependent upon various factors, including the delay inherent in any judicial proceeding to enforce the lien of the Series 2026 Assessments and the value of the land which is the subject of such proceedings and which may be subject to sale. If the District should commence a foreclosure action against a landowner for nonpayment of Series 2026 Assessments which are not being collected pursuant to the Uniform Method and that are delinquent, such landowner 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.

### **Limitation on Funds Available to Exercise Remedies**

In the event of a default by a landowner in payment of Series 2026 Assessments that are not collected pursuant to the Uniform Method, the District is required under the Indenture to fund the costs of foreclosure of such delinquent Series 2026 Assessments. It is possible that the District will not have sufficient funds and will be compelled to request the Owners of the Series 2026 Bonds to allow funds on deposit under the Indenture to be used to pay such costs. Under the Internal Revenue Code of 1986, as amended (the "Code"), there are limitations on the amount of Series 2026 Bond proceeds that can be used for such purpose. As a result, there may be insufficient funds for the exercise of remedies.

### **Determination of Land Value upon Default**

The assessment of the benefits to be received by the benefited land within Assessment Area Two as a result of implementation and development of the Assessment Area Two 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. In other words, the value of the land could potentially be ultimately less than the debt secured by the Series 2026 Assessments associated with it. To the extent that the realizable or market value of the land benefited by the Assessment Area Two Project is lower than the assessment of benefits, the ability of the Tax Collector to sell tax certificates relating to such land, or the District to realize sufficient

value from a foreclosure action, may be adversely affected. Such adverse effect could render the District unable to collect delinquent Series 2026 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 2026 Bonds.

### **Landowner Challenge of Assessed Valuation**

Under State law, a landowner may contest the assessed valuation determined for its property that forms the basis of ad-valorem taxes such landowner must pay. During this contest period, the sale of a tax certificate under the Uniform Method will be suspended. If the Series 2026 Assessments are being collected along with ad valorem taxes pursuant to the Uniform Method, tax certificates will not be sold with respect to such Series 2026 Assessment, even though the landowner is not contesting the amount of the Series 2026 Assessment. However, Section 194.014, Florida Statutes, requires taxpayers challenging the assessed value of their property to pay all non-ad valorem assessments and at least seventy-five percent (75%) of their ad valorem taxes before they become delinquent. Likewise, taxpayers who challenge the denial of an exemption or classification, or a determination that their improvements were substantially complete, must pay all non-ad valorem assessments and the amount of ad valorem taxes that they admit in good faith to be owing. If a taxpayer fails to pay property taxes as set forth above, the Value Adjustment Board considering the taxpayer's challenge is required to deny such petition by written decision by April 20 of such year.

### **Failure to Comply with Assessment Proceedings**

The District is required to comply with statutory procedures in levying the Series 2026 Assessments. Failure of the District to follow these procedures could result in the Series 2026 Assessments not being levied or potential future challenges to such levy.

### **Other Taxes and Assessments**

The willingness and/or ability of a landowner within Assessment Area Two to pay the Series 2026 Assessments could be affected by the existence of other taxes and assessments imposed upon the property. Public entities whose boundaries overlap those of the District, such as the County, the School Board of Hernando County and other special districts could, without the consent of the owners of the land within Assessment Area Two, impose additional taxes or assessments on the property within Assessment Area Two. County, municipal, school and special district taxes and assessments, including the Series 2026 Assessments, and any additional voter-approved ad valorem taxes, are payable at the same time when collected pursuant to the Uniform Method, except for partial payment schedules as may be provided by Sections 197.374 and 197.222, Florida Statutes. Partial payments made pursuant to Sections 197.374 and 197.222, Florida Statutes, are distributed in equal proportion to all taxing districts and levying authorities applicable to that account. If a taxpayer does not make complete payment, such taxpayer cannot designate specific line items on the tax bill as deemed paid in full. Therefore, any failure by a landowner to pay any one line item, whether or not it is the Series 2026 Assessment, would result in such landowner's Series 2026 Assessment to not be fully collected, which could have a significant adverse impact on the District's ability to make full or punctual payment of Debt Service on the Series 2026 Bonds.

As referenced herein, the Series 2026 Assessments are levied on lands within Assessment Area Two that are also subject to O&M Assessments, HOA fees and fees associated with the Club Plan. See "THE DEVELOPMENT – Taxes, Fees and Assessments" herein.

### **Limited Secondary Market**

The Series 2026 Bonds may not constitute a liquid investment, and there is no assurance that a liquid secondary market will exist for the Series 2026 Bonds in the event an Owner thereof determines to solicit purchasers of the Series 2026 Bonds. Even if a liquid secondary market exists, there can be no assurance as to the price for which the Series 2026 Bonds may be sold. Such price may be lower than that paid by the current Owners of the Series 2026 Bonds, depending on the progress of Assessment Area Two, existing market conditions and other factors.

### **Inadequacy of Series 2026 Reserve Account**

Some of the risk factors described herein, if materialized, could result in a delay in the collection of the Series 2026 Assessments or a failure to collect the Series 2026 Assessments, but may not affect the timely payment of Debt Service on the Series 2026 Bonds because of the Series 2026 Reserve Account established by the District for the Series 2026 Bonds. However, the ability of the District to fund deficiencies caused by delinquent or delayed Series 2026 Assessments is dependent upon the amount, duration and frequency of such deficiencies or delays. If the District has difficulty in collecting the Series 2026 Assessments, the Series 2026 Reserve Account could be rapidly depleted and the ability of the District to pay Debt Service on the Series 2026 Bonds could be materially adversely affected. Owners should note that although the Indenture contains the Series 2026 Reserve Account Requirement for the Series 2026 Reserve Account, and a corresponding obligation on the part of the District to replenish the Series 2026 Reserve Account to the Series 2026 Reserve Account Requirement, the District does not have a designated revenue source for replenishing the Series 2026 Reserve Account. Moreover, the District may not be permitted to re-assess real property then burdened by the Series 2026 Assessments in order to provide for the replenishment of the Series 2026 Reserve Account. See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2026 BONDS – Additional Obligations" herein.

Moneys on deposit in the Series 2026 Reserve Account may be invested in certain obligations permitted under the Indenture. Fluctuations in interest rates and other market factors could affect the amount of moneys available in the Series 2026 Reserve Account to make up deficiencies or delays in collection of Series 2026 Assessments.

### **Regulatory and Environmental Risks**

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

affect the completion of Assessment Area Two. See "THE DEVELOPMENT – Development Approvals and Permits" herein.

The value of the land within Assessment Area Two, the ability to complete the Assessment Area Two Project or develop Assessment Area Two, and the likelihood of timely payment of Debt Service on the Series 2026 Bonds could be affected by environmental factors with respect to the lands in Assessment Area Two, such as contamination by hazardous materials. 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 Assessment Area Two or from surrounding property, and what effect such may have on the development of the lands within Assessment Area Two. The District has not performed, nor has the District requested that there be performed on its behalf, any independent assessment of the environmental conditions within the District. See "THE DEVELOPMENT – Environmental" herein.

### **Economic Conditions**

The successful sale of lots to homebuilders and the successful sale of residential units, in turn, by homebuilders to end users once homes are built within the District, 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, the Development Manager, the Builder or the District. Contracts that the Developer may have with individual homebuilders are subject to a myriad of contractual conditions, which if not complied with, may lead to termination or rescission of such contracts, causing the Developer to possibly need to execute a different strategy for the development and sale of finished lots or undeveloped land. See "THE DEVELOPMENT – Builder Contract and Participating Builder" herein.

### **Cybersecurity**

The District relies on a technological environment to conduct its operations. The District, its agents and other third parties the District does business with or otherwise relies upon are subject to cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. Entities or individuals may attempt to gain unauthorized access to such parties' digital systems for the purposes of misappropriating assets or information or causing operational disruption and damage. No assurance 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 2026 Bonds.

### **Infectious Viruses and/or Diseases**

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 Builder, the timely and successful completion of the Development, and the construction and sale to purchasers of residential units therein. Such impacts could include delays in obtaining development approvals, construction delays, supply chain delays, or increased costs.

## **Damage to District from Natural Disasters**

The value of the lands subject to the Series 2026 Assessments could be adversely affected 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 lands within the District unable to support the construction of the Assessment Area Two Project or development of Assessment Area Two. The occurrence of any such events could materially adversely affect the District's ability to collect Series 2026 Assessments and pay Debt Service on the Series 2026 Bonds. The Series 2026 Bonds are not insured and the District's casualty insurance policies do not insure against losses incurred on private lands within its boundaries.

## **Change in Development Plans**

The Developer has the right to modify or change plans for development of certain property within the Development, from time to time, including, without limitation, land use changes, changes in the overall land and phasing plans, and changes to the type, mix, size and number of units to be developed, and may seek in the future, in accordance with, and subject to the provisions of the Act, to contract or expand the boundaries of the District.

## **Completion of Assessment Area Two Project**

In the event the District does not have sufficient moneys on hand to complete the Assessment Area Two Project, there can be no assurance that the District will be able to raise through the issuance of bonds, or otherwise, the moneys necessary to complete the Assessment Area Two Project. Further, pursuant to the Supplemental Indenture, the District will covenant that so long as there are any Series 2026 Bonds Outstanding, it shall not cause or permit to be caused any lien, charge or claim against the Series 2026 Trust Estate. Further, the District will covenant and agree that so long as the Series 2026 Assessments have not been Substantially Absorbed, it shall not issue any Bonds or other debt obligations secured by Assessments on any lands subject to the Series 2026 Assessments. See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2026 BONDS – Additional Obligations" herein. The Developer will enter into the Completion Agreement with the District whereby the Developer will agree to provide funds to complete the Assessment Area Two Project to the extent that net proceeds of the Series 2026 Bonds are insufficient therefor. However, such obligation of the Developer is an unsecured obligation and the Developer is a single asset entity whose primary asset is the lands it owns within the Development. In addition, 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, certain of its development rights relating to the Assessment Area Two Project and the lands subject to the Series 2026 Assessments as security for the Developer's payment and performance and discharge of its obligation to pay the Series 2026 Assessments. However, there can be no assurance that in the case of a default in the payment of the Series 2026 Assessments and a default of the Series 2026 Bonds that if the District and/or the Trustee were to exercise their rights under such Collateral Assignment that the District and/or the Trustee, as the case may be, will have all development rights necessary to develop Assessment Area Two. See "THE CAPITAL IMPROVEMENT PROGRAM AND THE

ASSESSMENT AREA TWO PROJECT" and "THE DEVELOPMENT" herein. As noted herein under "THE DEVELOPMENT – Developer Agreements," the Developer has previously granted similar rights (as previously defined, "Prior Collateral Assignment") in connection with the issuance of the Series 2024 Bonds, and such rights under such Prior Collateral Assignment are superior to and may take priority over the rights granted under the Collateral Assignment. Further, as noted herein under "THE DEVELOPMENT – Builder Contract and Participating Builder," there is already a recorded lien in favor of the Builder (as previously defined, the "Builder Lien") which is under contract with the Developer for the acquisition of finished lots within Assessment Area Two. The Builder will not be providing a written subordination of the Builder Lien to the Collateral Assignment. Accordingly, with respect to intangible personal property rights associated with Assessment Area Two and covered under the documents governing such lien (as previously defined, the "Intangible Rights"), the Builder may have rights to such Intangible Rights which are superior to the District's rights to such Intangible Rights under the Collateral Assignment. In addition, the Lender may have certain intangible personal property rights assigned to it under the terms of the Loan Agreement and/or Loan and the Mortgage which may be superior to such intangible rights that might otherwise be assigned to the District under the terms of the Collateral Assignment. See "THE DEVELOPMENT – Land Acquisition and Finance Plan" herein. Finally, lands within the Development are subject to a recorded Club Plan that burdens such lands as it relates to membership within such Club Plan and use of the Main Recreational Amenity which will be owned by an affiliate of the Developer. No rights related to the Club Plan or the Main Recreational Amenity are being assigned to the District or any other entity under the Collateral Assignment. See "THE DEVELOPMENT – Recreational Amenities" herein.

### **District May Not be Able to Obtain Permits**

In connection with a foreclosure of lien of assessments prior to completion of a development, the Circuit Court in and for Lake County, Florida concluded that a community development district had no right, title or interest in any permits and approvals owned by the owner of the parcels so foreclosed. As discussed herein, the District and the Developer will enter into the Collateral Assignment upon issuance of the Series 2026 Bonds in which the Developer collaterally assigns to the District certain of its development and contract rights relating to the Assessment Area Two Project. Notwithstanding the foregoing, in the event that the District forecloses on the property subject to the lien of the Series 2026 Assessments to enforce payment thereof, the District may not have the right, title or interest in all the permits and approvals owned by the Developer and failure to obtain any such permits or approvals in a timely manner could delay or adversely affect the completion of Assessment Area Two. See "THE DEVELOPMENT – Developer Agreements" herein.

### **Interest Rate Risk; No Rate Adjustment for Taxability**

The interest rates borne by the Series 2026 Bonds are, in general, higher than interest rates borne by other bonds of political subdivisions that do not involve the same degree of risk as investment in the Series 2026 Bonds. These higher interest rates are intended to compensate investors in the Series 2026 Bonds for the risk inherent in the purchase of the Series 2026 Bonds. However, such higher interest rates, in and of themselves, increase the amount of Series 2026 Assessments that the District must levy in order to provide for payment of Debt Service on the Series 2026 Bonds and, in turn, may increase the burden of

landowners within the District, thereby possibly increasing the likelihood of non-payment or delinquency in payment of such Series 2026 Assessments.

The Indenture does not contain an adjustment of the interest rates on the Series 2026 Bonds in the event of a determination of taxability of the interest thereon. Such a change could occur as a result of the District's failure to comply with tax covenants contained in the Indenture or the Arbitrage Certificate executed by the District upon issuance of the Series 2026 Bonds or due to a change in the United States income tax laws. Should interest on the Series 2026 Bonds become includable in gross income for federal income tax purposes, Owners of the Series 2026 Bonds will be required to pay income taxes on the interest received on such Series 2026 Bonds and related penalties. Because the interest rates on such Series 2026 Bonds will not be adequate to compensate Owners of the Series 2026 Bonds for the income taxes due on such interest, the value of the Series 2026 Bonds may decline. Prospective purchasers of the Series 2026 Bonds should evaluate whether they can own the Series 2026 Bonds in the event that the interest on the Series 2026 Bonds becomes taxable and/or the District is ever determined to not be a political subdivision for purposes of the Code and/or Securities Act.

### **IRS Examination and Audit Risk**

The Internal Revenue Service (the "IRS") routinely examines bonds issued by state and local governments, including bonds issued by community development districts. In 2016, the IRS concluded its lengthy examination of certain issues of bonds (for purposes of this paragraph, the "Audited Bonds") issued by Village Center Community Development District ("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 governmental 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 was 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 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 Village Center CDD with respect to this second set of Audited Bonds noted that the IRS found that 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 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 Village Center CDD.

On February 23, 2016, the IRS issued a notice of proposed rulemaking containing proposed regulations (the "Proposed Regulations") that provided guidance as to the definition of a political subdivision for purposes of the rules for tax-exempt bonds. However, on July 24, 2017, in response to Executive Order 13789 issued by President Trump, the Secretary of the Treasury (the "Secretary") identified the Proposed Regulations among a list of eight regulations that (a) impose an undue financial burden on U.S. taxpayers, (b) add undue complexity to the federal tax laws, or (c) exceed the statutory authority of the IRS. On October 2, 2017, in his Second Report to the President on Identifying and Reducing Tax Regulatory Burdens, the Secretary reported that the Treasury Department and the IRS believed that the Proposed Regulations should be withdrawn in their entirety, and the Treasury Department and the IRS withdrew the Proposed Regulations on October 20, 2017. The Secretary further provided that the Treasury Department and the IRS would continue to study the legal issues relating to political subdivisions and may propose more targeted guidance in the future. Because the Proposed Regulations have been withdrawn, it is not possible to determine the extent to which all or a portion of the discussion herein regarding the Village Center CDD and the TAMs may continue to be applicable in the absence of further guidance from the IRS.

It has been reported that the IRS has closed audits of other community development districts in the State with no change to such districts' bonds' tax-exempt status, but has advised such districts that such districts must have public electors within five (5) 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 (6) years or when there are 250 qualified electors in the District. The District, unlike Village Center CDD, was formed with the intent that it will contain a sufficient number of residents to allow for a transition to control by a general electorate. Currently, all members of the Board were elected by the landowners within the District and none were elected by qualified electors. The Developer will certify as to its expectations as to the timing of the transition of control of the Board to qualified electors pursuant to the Act. Such certification by the Developer does not ensure that such certification shall be determinative of or may influence the outcome of any audit by the IRS, or any appeal from such audit, that may result in an adverse ruling that the District is not a political subdivision for purposes of Section 103(a) of the Code. Further, there can be no assurance that an audit by the IRS of the Series 2026 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 2026 Bonds are advised that, if the IRS does audit the Series 2026 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 2026 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 2026 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 2026 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 2026 Bonds would adversely affect the availability of any secondary market for the Series 2026 Bonds. Should interest on the Series 2026 Bonds become includable in gross income for federal income tax purposes, not only will Owners of Series 2026 Bonds be required to pay income taxes on the interest received on such Series 2026 Bonds and related penalties, but because the interest rates on such Series 2026 Bonds will not be adequate to compensate Owners of the Series 2026 Bonds for the income taxes due on such interest, the value of the Series 2026 Bonds may decline. See also "TAX MATTERS" herein.

### **Legislative Proposals and State Tax Reform**

During recent years, legislative proposals have been introduced in Congress, and in some cases enacted, that altered certain federal tax consequences resulting from the ownership of obligations that are similar to the Series 2026 Bonds. In some cases, these proposals have contained provisions that altered these consequences on a retroactive basis. Such alteration of federal tax consequences may have affected the market value of obligations similar to the Series 2026 Bonds. From time to time, legislative proposals are pending which could have an effect on both the federal tax consequences resulting from ownership of the Series 2026 Bonds and their market value. No assurance can be given that legislative proposals will not be enacted that would apply to, or have an adverse effect upon, the Series 2026 Bonds. For example, in connection with federal deficit reduction, job creation and tax law reform efforts, proposals have been made and others are likely to be made that could significantly reduce the benefit of, or otherwise affect, the exclusion from gross income of interest on obligations like the Series 2026 Bonds. There can be no assurance that any such legislation or proposal will be enacted, and if enacted, what form it may take. The introduction or enactment of any such legislative proposals may affect, perhaps significantly, the market price for or marketability of the Series 2026 Bonds.

It is impossible to predict what new proposals may be presented regarding ad valorem tax reform and/or community development districts during upcoming State 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. It is impossible to predict with certainty the impact that any existing or future legislation will or may have on the security for the Series 2026 Bonds. It should be noted that Section 190.016(14) of the Act provides in pertinent part that "the state pledges to the holders of any bonds issued under the Act that it will not limit or alter the rights of the district to levy and collect the assessments and to fulfill the terms of any agreement made with the holders of such bonds and that it will not in any way impair the rights or remedies of such holders."

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

Since the Series 2026 Bonds have not been, and will not be, registered under the Securities Act or any state securities laws, pursuant to the exemption for political subdivisions, and regardless of any potential IRS determination that the District is not a political subdivision for purposes of the Code, it is possible that federal or state regulatory authorities could independently determine that the District is not a political subdivision for purposes of federal and state securities laws. Accordingly, the District and purchasers of the

Series 2026 Bonds may not be able to rely on the exemption from registration relating to securities issued by political subdivisions. In that event, Owners of the Series 2026 Bonds would need to ensure that subsequent transfers of the Series 2026 Bonds are made pursuant to a transaction that is not subject to the registration requirements of the Securities Act.

### **Prepayment and Redemption Risk**

In addition to being subject to optional and mandatory sinking fund redemptions, the Series 2026 Bonds are subject to extraordinary mandatory redemption as a result of Prepayments of the Series 2026 Assessments by the Developer or subsequent owners of the property within Assessment Area Two. Any such redemptions of the Series 2026 Bonds would be at the principal amount of such Series 2026 Bonds being redeemed plus accrued interest to the date of redemption. In such event, Owners of the Series 2026 Bonds may not realize their anticipated rate of return on the Series 2026 Bonds and Owners of any Premium Bonds (hereinafter defined) may receive less than the price they paid for the Series 2026 Bonds. See "DESCRIPTION OF THE SERIES 2026 BONDS – Redemption Provisions" herein.

**Although not obligated to do so, the Developer currently anticipates prepaying a portion of the Series 2026 Assessments levied on the 212 lots planned within Assessment Area Two at the time of lot closings with the Builder in order to meet the target assessment level set forth in the Builder Contract. See "ASSESSMENT METHODOLOGY AND ALLOCATION OF ASSESSMENTS" and "THE DEVELOPMENT – Builder Contract and Participating Builder" herein.**

### **Performance of District Professionals**

The District has represented to the Underwriter that it has selected its District Manager, District Counsel, Bond Counsel, Disclosure Counsel, Consulting Engineer, Assessment Consultant, Trustee and other professionals with the appropriate due diligence and care. While the foregoing professionals have each represented that they have the respective requisite experience to accurately and timely perform the duties assigned to them in such roles, the District does not guarantee the performance of such professionals.

### **Existing Mortgage**

As further described herein under "THE DEVELOPMENT – Land Acquisition and Finance Plan," there is an existing mortgage (as previously defined, the "Mortgage") that burdens all of the lands in Assessment Area Two in favor of Lot HV VIII LLC, a Delaware limited liability company (as previously defined, the "Lender"). Although the Series 2026 Assessments are considered to be superior to the lien of a conventional mortgage by operation of law, it is not unusual for mortgagees to raise defenses during a foreclosure action to protect their security interests, and similarly situated mortgagees have, in fact, raised defenses in the past in the context of a community development district foreclosing on a delinquent assessment lien (the "Mortgagee Defenses"). Such Mortgagee Defenses could affect the timing and/or outcome of an action by the District to foreclose on delinquent Series 2026 Assessments. In addition, the Lender may have certain intangible rights assigned to it under the terms of the Loan relating to the Development which are superior to such intangible rights that might otherwise be assigned to the District under the terms of the Collateral Assignment.

**No Credit Enhancement or Rating**

No application for credit enhancement or a rating on the Series 2026 Bonds has been made, nor is there any reason to believe that the District would have been successful in obtaining either for the Series 2026 Bonds had application been made.

**Mortgage Default and FDIC**

In the event a bank forecloses on property in Assessment Area Two because of a default on a mortgage with respect thereto 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 2026 Assessments. In addition, the District would be required to obtain the consent of the FDIC prior to commencing a foreclosure action on such property for failure to pay Series 2026 Assessments.

**ESTIMATED SOURCES AND USES OF BOND PROCEEDS**

**Sources of Funds**

Par Amount of Series 2026 Bonds	
Less/Plus Original Issue Discount/Premium	_____
<b>Total Sources</b>	=====

**Uses of Funds**

Deposit to Series 2026 Acquisition and Construction Account	
Deposit to Series 2026 Reserve Account	
Deposit to Series 2026 Capitalized Interest Account <sup>(1)</sup>	
Deposit to Series 2026 Costs of Issuance Account <sup>(2)</sup>	
Underwriter's Discount	_____
<b>Total Uses</b>	=====

<sup>(1)</sup> Represents Capitalized Interest on the Series 2026 Bonds through and including November 1, 2026.  
<sup>(2)</sup> Costs of issuance include, without limitation, legal fees and other costs associated with the issuance of the Series 2026 Bonds.

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## DEBT SERVICE REQUIREMENTS

The following table sets forth the scheduled debt service on the Series 2026 Bonds:

Period Ending November 1st	Principal	Interest	Total Debt Service
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**Total**

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## **TAX MATTERS**

### **Opinion of Bond Counsel**

In the opinion of Bond Counsel, the form of which is included as APPENDIX D hereto, the interest on the Series 2026 Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax under existing statutes, regulations, rulings and court decisions; provided, however, with respect to certain corporations, interest on the Series 2026 Bonds is taken into account in determining the annual adjusted financial statement income for the purpose of computing the alternative minimum tax imposed on such corporations. Failure by the District to comply subsequent to the issuance of the Series 2026 Bonds with certain requirements of the Internal Revenue Code of 1986, as amended (as previously defined, the "Code"), including but not limited to requirements regarding the use, expenditure and investment of Series 2026 Bond proceeds and the timely payment of certain investment earnings to the Treasury of the United States, may cause interest on the Series 2026 Bonds to become includable in gross income for federal income tax purposes retroactive to their date of issuance. The District has covenanted to comply with all provisions of the Code necessary to, among other things, maintain the exclusion from gross income of interest on the Series 2026 Bonds for purposes of federal income taxation. In rendering its opinion, Bond Counsel has assumed continuing compliance with such covenants.

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

The Code contains a number of provisions that apply to the Series 2026 Bonds, including, among other things, restrictions relating to the use or investment of the proceeds of the Series 2026 Bonds and the payment of certain arbitrage earnings in excess of the "yield" on the Series 2026 Bonds to the Treasury of the United States. Noncompliance with such provisions may result in interest on the Series 2026 Bonds being included in gross income for federal income tax purposes retroactive to their date of issuance.

### **Collateral Tax Consequences**

Except as described above, Bond Counsel will express no opinion regarding the federal income tax consequences resulting from the ownership of, receipt or accrual of interest on, or disposition of, the Series 2026 Bonds. Prospective purchasers of the Series 2026 Bonds should be aware that the ownership of the Series 2026 Bonds may result in other collateral federal tax consequences. For example, ownership of the Series 2026 Bonds may result in collateral tax consequences to various types of corporations relating to (1) denial of interest deduction to purchase or carry such Series 2026 Bonds, (2) the branch profits tax, and (3) the inclusion of interest on the Series 2026 Bonds in passive income for certain Subchapter S corporations. In addition, the interest on the Series 2026 Bonds may be included in gross income by recipients of certain Social Security and Railroad Retirement benefits.

PURCHASE, OWNERSHIP, SALE OR DISPOSITION OF THE SERIES 2026 BONDS AND THE RECEIPT OR ACCRUAL OF THE INTEREST THEREON MAY HAVE ADVERSE FEDERAL TAX CONSEQUENCES FOR CERTAIN INDIVIDUAL AND CORPORATE BONDHOLDERS, INCLUDING, BUT NOT LIMITED TO, THE CONSEQUENCES REFERRED TO ABOVE. PROSPECTIVE SERIES 2026

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

### **Florida Taxes**

In the opinion of Bond Counsel, the Series 2026 Bonds and interest thereon are exempt from taxation under the laws of the State of Florida, except as to estate taxes and taxes imposed by Chapter 220, Florida Statutes, on interest, income or profits on debt obligations owned by corporations, as defined in said Chapter 220.

### **Other Tax Matters**

Interest on the Series 2026 Bonds may be subject to state or local income taxation under applicable state or local laws in other jurisdictions. Purchasers of the Series 2026 Bonds should consult their tax advisors as to the income tax status of interest on the Series 2026 Bonds in their particular state or local jurisdictions.

The Inflation Reduction Act, H.R. 5376 (the "IRA"), was passed by both houses of the U.S. Congress and was signed by the President on August 16, 2022. As enacted, the IRA includes a fifteen percent (15%) alternative minimum tax to be imposed on the "adjusted financial statement income," as defined in the IRA, of certain corporations. Interest on the Series 2026 Bonds will be included in the "adjusted financial statement income" of such corporations for purposes of computing the corporate alternative minimum tax. Prospective purchasers that could be subject to this minimum tax should consult with their own tax advisors regarding the potential tax consequences of owning the Series 2026 Bonds.

During recent years, legislative proposals have been introduced in Congress, and in some cases enacted, that altered certain federal tax consequences resulting from the ownership of obligations that are similar to the Series 2026 Bonds. In some cases these proposals have contained provisions that altered these consequences on a retroactive basis. Such alterations of federal tax consequences may have affected the market value of obligations similar to the Series 2026 Bonds. From time to time, legislative proposals are pending which could have an effect on both the federal tax consequences resulting from ownership of the Series 2026 Bonds and their market value. No assurance can be given that additional legislative proposals will not be introduced or enacted that would or might apply to, or have an adverse effect upon, the Series 2026 Bonds.

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

withdrawn on October 20, 2017. See also "BONDOWNERS' RISKS – IRS Examination and Audit Risk" herein.

### **Original Issue Discount**

Certain of the Series 2026 Bonds (the "Discount Bonds") may be offered and sold to the public at an original issue discount, which is the excess of the principal amount of the Discount Bonds over the initial offering price to the public, excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers, at which price a substantial amount of the Discount Bonds of the same maturity was sold. Original issue discount represents interest which is excluded from gross income for federal income tax purposes to the same extent as interest on the Discount Bonds. Original issue discount will accrue over the term of a Discount Bond at a constant interest rate compounded semi-annually. An initial purchaser who acquires a Discount Bond at the initial offering price thereof to the public will be treated as receiving an amount of interest excludable from gross income for federal income tax purposes equal to the original issue discount accruing during the period such purchaser holds such Discount Bond and will increase its adjusted basis in such Discount Bond by the amount of such accruing discount for purposes of determining taxable gain or loss on the sale or other disposition of such Discount Bond. The federal income tax consequences of the purchase, ownership and prepayment, sale or other disposition of Discount Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those above. Owners of Discount Bonds should consult their own tax advisors with respect to the precise determination for federal income tax purposes of interest accrued upon sale, prepayment or other disposition of such Discount Bonds and with respect to the state and local tax consequences of owning and disposing of such Discount Bonds.

### **Bond Premium**

Certain of the Series 2026 Bonds (the "Premium Bonds") may be offered and sold to the public at a price in excess of the principal amount of such Premium Bond, which excess constitutes to an initial purchaser amortizable bond premium which is not deductible from gross income for federal income tax purposes. The amount of amortizable bond premium for a taxable year is determined actuarially on a constant interest rate basis over the term of the Premium Bonds which term ends on the earlier of the maturity or call date for each Premium Bond which minimizes the yield on said Premium Bonds to the purchaser. For purposes of determining gain or loss on the sale or other disposition of a Premium Bond, an initial purchaser who acquires such obligation in the initial offering to the public at the initial offering price is required to decrease such purchaser's adjusted basis in such Premium Bond annually by the amount of amortizable bond premium for the taxable year. The amortization of bond premium may be taken into account as a reduction in the amount of tax-exempt income for purposes of determining various other tax consequences of owning such Premium Bonds. The federal income tax consequences of the purchase, ownership and sale or other disposition of Premium Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those described above. Owners of the Premium Bonds are advised that they should consult with their own advisors with respect to the state and local tax consequences of owning such Premium Bonds.

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

Section 517.051, Florida Statutes, and the regulations promulgated thereunder requires that the District make a full and fair disclosure of any bonds or other debt obligations that it has issued or guaranteed and that are or have been in default as to principal or interest at any time after December 31, 1975. The District is not and has not ever been in default as to principal and interest on its bonds or other debt obligations.

### **VALIDATION**

The Series 2026 Bonds are a portion of the Bonds that were validated by a Final Judgment of the Circuit Court of the Fifth Judicial Circuit of Florida, in and for Hernando County, Florida, entered on February 17, 2022. The period during which an appeal can be taken has expired with no appeal being taken.

### **LITIGATION**

#### **District**

There is no pending or, to the knowledge of the District, any threatened litigation against the District of any nature whatsoever which in any way questions or affects the validity of the Series 2026 Bonds, or any proceedings or transactions relating to their issuance, sale, execution, or delivery, or the execution of the Indenture. Neither the creation, organization nor existence of the District, nor the title of the present members of the Board has been challenged.

From time to time, the District expects to experience routine litigation and claims incidental to the conduct of its affairs. In the opinion of District Counsel, there are no actions presently pending or threatened, the adverse outcome of which would have a material adverse effect on the availability of the Series 2026 Trust Estate, or the ability of the District to pay the Series 2026 Bonds from the Series 2026 Trust Estate.

#### **Developer**

In connection with the issuance of the Series 2026 Bonds, the Developer will represent to the District that there is no litigation of any nature now pending or, to the knowledge of the Developer, threatened, which could reasonably be expected to have a material and adverse effect upon the ability of the Developer to complete the Development as described herein or materially and adversely affect the ability of the Developer to perform its obligations described in this Limited Offering Memorandum.

## **CONTINUING DISCLOSURE**

#### **General**

In order to comply with the continuing disclosure requirements of Rule 15c2-12(b)(5) of the SEC (the "Rule"), the District, the Developer and Kai Connected, LLC d/b/a Kai, as dissemination agent (in such capacity, the "Dissemination Agent"), will enter into a

Continuing Disclosure Agreement (the "Disclosure Agreement"), the form of which is attached hereto as APPENDIX E. Pursuant to the Disclosure Agreement, the District and the Developer have each covenanted for the benefit of the Owners of the Series 2026 Bonds to provide to the Dissemination Agent certain financial information and operating data relating to the District, Assessment Area Two and the Series 2026 Bonds (the "Reports"), and to provide notices of the occurrence of certain enumerated material events. Such covenants by the District and the Developer shall only apply so long as the Series 2026 Bonds remain Outstanding under the Indenture or so long as the District or the Developer remains an "obligated person" pursuant to the Rule.

The Reports will be filed by the Dissemination Agent with the Municipal Securities Rulemaking Board's Electronic Municipal Markets Access ("EMMA") repository described in the form of the Disclosure Agreement attached hereto as APPENDIX E. The notices of material events will also be filed by the Dissemination Agent with EMMA. The specific nature of the information to be contained in the Reports and the notices of material events are described in APPENDIX E. The Disclosure Agreement will be executed at the time of issuance of the Series 2026 Bonds. With respect to the Series 2026 Bonds, no parties other than the District and the Developer are obligated to provide, nor are expected to provide, any continuing disclosure information with respect to the Rule. The foregoing covenants have been made in order to assist the Underwriter in complying with the Rule.

### **District Continuing Compliance**

During the five (5) years immediately preceding the issuance of the Series 2026 Bonds, the District entered into a continuing disclosure undertaking with respect to the Series 2024 Bonds (the "Prior Undertaking"). A review of filings made pursuant to the Prior Undertaking indicates that the District failed to timely file its audited financial statements for the Fiscal Year ended September 30, 2024. Such audited financial statements were filed one (1) day late. Other than as set forth above, the District has not materially failed to comply with its requirements under the Prior Undertaking to date.

### **Developer Continuing Compliance**

During the five (5) years immediately preceding the issuance of the Series 2026 Bonds, the Developer entered into the Prior Undertaking. A review of filings made pursuant to the Prior Undertaking indicates that the Developer has not materially failed to comply with its requirements under the Prior Undertaking to date.

## **UNDERWRITING**

The Underwriter will agree, pursuant to a contract entered into with the District, subject to certain conditions, to purchase the Series 2026 Bonds from the District at a purchase price of \$\_\_\_\_\_ (representing the par amount of the Series 2026 Bonds of \$\_\_\_\_\_, less an Underwriter's discount of \$\_\_\_\_\_ and plus/less an original issue premium/discount of \$\_\_\_\_\_). See "ESTIMATED SOURCES AND USES OF BOND PROCEEDS" herein. The Underwriter's obligations are subject to certain conditions precedent and the Underwriter will be obligated to purchase all of the Series 2026 Bonds if any are purchased.

The Underwriter intends to offer the Series 2026 Bonds at the offering prices set forth on the cover page of this Limited Offering Memorandum, which may subsequently change without prior notice. The Underwriter may offer and sell the Series 2026 Bonds to certain dealers (including dealers depositing the Series 2026 Bonds into investment trusts) at prices lower than the initial offering prices and such initial offering prices may be changed from time to time by the Underwriter.

### **LEGALITY FOR INVESTMENT**

The Act provides that the Series 2026 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 which may be deposited by banks or trust companies as security for deposits of state, county, municipal or other public funds, or by insurance companies as required or voluntary statutory deposits.

### **LEGAL MATTERS**

The Series 2026 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 Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Bond Counsel, as to the validity of the Series 2026 Bonds and the excludability of interest thereon from gross income for federal income tax purposes. Certain legal matters will be passed upon for the District by its counsel, Straley Robin Vericker P.A., Tampa, Florida, for the Developer by its counsel, Shutts & Bowen LLP, Tampa, Florida, and for the Trustee by its counsel, Squire Patton Boggs (US) LLP, Miami, Florida. Aponte & Associates Law Firm, P.L.L.C., Orlando, Florida, is serving as Underwriter's Counsel and Nabors, Giblin & Nickerson, P.A., Tampa, Florida, is serving as Disclosure Counsel.

### **AGREEMENT BY THE STATE**

Under the Act, the State pledges to the holders of any bonds issued thereunder, including the Series 2026 Bonds, that it will not limit or alter the rights of the issuer of such bonds to own, acquire, construct, reconstruct, improve, maintain, operate or furnish the projects subject to the Act or to levy and collect taxes, assessments, rentals, rates, fees, and other charges provided for in the Act and to fulfill the terms of any agreement made with the holders of such bonds and that it will not in any way impair the rights or remedies of such holders.

### **FINANCIAL STATEMENTS**

The general-purpose financial statements of the District for the Fiscal Year ended September 30, 2024, included in this Limited Offering Memorandum have been audited by DiBartolomeo, McBee, Hartley & Barnes, P.A., independent certified public accountants, as stated in their report appearing in APPENDIX F. The consent of the District's auditor to include in this Limited Offering Memorandum the aforementioned report was not requested, and the general-purpose financial statements of the District are provided as publicly

available documents. The auditor was not requested to, nor did they, perform any procedures with respect to the preparation of this Limited Offering Memorandum or the information presented herein. The District has covenanted in the form of Disclosure Agreement set forth in APPENDIX E attached hereto to provide its annual audited financial statements to certain information repositories as described in APPENDIX E, commencing with the audit for the District Fiscal Year ended September 30, 2025. The Series 2026 Bonds are not general obligation bonds of the District and are payable solely from the Series 2026 Trust Estate. See "CONTINUING DISCLOSURE" herein.

### **EXPERTS AND CONSULTANTS**

The references herein to Stantec Consulting Services Inc., as Consulting Engineer, have been approved by said firm. The Engineer's Report prepared by such firm has been included as composite APPENDIX A attached hereto in reliance upon such firm as an expert in engineering. References to and excerpts herein from such Engineer's Report do not purport to be adequate summaries of the CIP or the Assessment Area Two Project or complete in all respects. Such Engineer's Report is an integral part of this Limited Offering Memorandum and should be read in its entirety for complete information with respect to the subjects discussed therein.

The references herein to Kai Connected, LLC d/b/a Kai, as Assessment Consultant, have been approved by said firm. The Supplemental Assessment Report prepared by such firm has been included as part of composite APPENDIX B attached hereto in reliance upon such firm as an expert in developing assessment methodologies. References to and excerpts herein from such Supplemental Assessment Report do not purport to be adequate summaries of such Supplemental Assessment Report or complete in all respects. Such Supplemental Assessment Report is an integral part of this Limited Offering Memorandum and should be read in its entirety for complete information with respect to the subjects discussed therein.

### **DISCLOSURE OF MULTIPLE ROLES**

Prospective Bondholders should note that (a) Kai Connected, LLC d/b/a Kai, serves as District Manager, Assessment Consultant and Dissemination Agent, responsible for the administrative operations of the District, preparation of the Supplemental Assessment Report attached hereto as part of composite APPENDIX B and performance of certain duties under the Disclosure Agreement attached hereto as APPENDIX E, and (b) Nabors, Giblin & Nickerson, P.A., Tampa, Florida serves as both Bond Counsel and Disclosure Counsel.

### **CONTINGENT AND OTHER FEES**

The District has retained Bond Counsel, Disclosure Counsel, District Counsel, the Assessment 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 2026 Bonds. Except for the payment of certain fees to District Counsel and the Assessment Consultant, the payment of the fees of the other professionals retained by the District is each contingent upon the issuance of the Series 2026 Bonds.

## **NO CREDIT ENHANCEMENT OR RATING**

No application for credit enhancement or a rating on the Series 2026 Bonds has been made, nor is there any reason to believe that the District would have been successful in obtaining either for the Series 2026 Bonds had application been made.

## **MISCELLANEOUS**

Any statements made in this Limited Offering Memorandum involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. Neither this Limited Offering Memorandum nor any statement that may have been made verbally or in writing is to be construed as a contract with the holders of the Series 2026 Bonds.

The information contained in this Limited Offering Memorandum has been compiled from official and other sources deemed to be reliable and is believed to be correct as of the date of this Limited Offering Memorandum, but is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, the Underwriter. The Underwriter listed on the cover page hereof has reviewed the information in this Limited Offering Memorandum in accordance with and as part of its responsibility to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

The information and expression of opinion herein are subject to change without notice and neither the delivery of this Limited Offering Memorandum nor any sale made hereunder is to create, under any circumstances, any implication that there has been no change in the affairs of the District, the Developer or the Development from the date hereof. However, certain parties to the transaction will, on the closing date of the Series 2026 Bonds, deliver certificates to the effect that nothing has come to their attention that would lead them to believe that applicable portions of this Limited Offering Memorandum contain an untrue statement of a material fact or omit to state a material fact that should be included herein for the purpose for which this Limited Offering Memorandum is intended to be used, or that is necessary to make the statements contained herein, in light of the circumstances under which they were made, not misleading and to the effect that from the date of this Limited Offering Memorandum to the date of closing of the Series 2026 Bonds that there has been no material adverse change in the information provided.

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This Limited Offering Memorandum is submitted in connection with the sale of the securities referred to herein and may not be reproduced or used, as a whole or in part, for any other purpose. The appendices hereof are integral parts of this Limited Offering Memorandum and must be read in their entirety together with all foregoing statements.

**LAKE HIDEAWAY COMMUNITY  
DEVELOPMENT DISTRICT**

By: \_\_\_\_\_  
Name: Michael S. Lawson  
Its: Chairman

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

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**Lake Hideaway Community  
Development District**

Bond Validation Report of the  
District Engineer



Prepared for:  
Board of Supervisors  
Lake Hideaway Community  
Development District

Prepared by:  
Stantec Consulting Services Inc.  
777 S. Harbour Island Boulevard  
Suite 600  
Tampa, FL 33602  
(813) 223-9500

November 16, 2021



## **1.0 INTRODUCTION**

The Lake Hideaway Community Development District (“the District”) encompasses approximately 229.43 acres in Hernando County, Florida. The District is located within Section 12, Township 22 South, Range 17 East and Sections 7, 17 and 18, Township 22 South, Range 18 East and is vacant land with various abutting subdivisions.

See Appendix A for a Vicinity Map and Legal Description of the District.

## **2.0 PURPOSE**

The District was established by Hernando County Ordinance 2021-21 effective on October 27, 2021 for the purpose of constructing and/or acquiring, maintaining, and operating all or a portion of the public improvements and community facilities within the District. The purpose of this Bond Validation Report of the District Engineer is to provide a description and estimated costs of the public improvements and community facilities being planned within the District.

## **3.0 THE DEVELOPER AND DEVELOPMENT**

The property owner Hawk Land Investors New, LLC currently plans to build 679 residential units.

The possible major public improvements and community facilities include, but are not limited to, water management and control, water supply, sewer and wastewater management, roads, parks and recreation, and landscaping/hardscaping/irrigation.

## **4.0 PUBLIC IMPROVEMENTS AND COMMUNITY FACILITIES**

Detailed descriptions of the proposed public improvements and community facilities are provided in the following sections.

### **4.1 WATER MANAGEMENT AND CONTROL**

The design criteria for the District’s water management and control is regulated by Hernando County and the Southwest Florida Water Management District (SWFWMD). The water management and control plan for the District focuses on utilizing newly constructed ponds within upland areas and on-site wetlands for stormwater treatment and storage.

Any excavated soil from the ponds is anticipated to remain within the development for use in building public infrastructure including roadways, landscape berming, drainage pond bank fill requirements, utility trench backfill, and filling and grading of public property.

The primary objectives of the water management and control for the District are:



1. To provide stormwater quality treatment.
2. To protect the development within the District from regulatory-defined rainfall events.
3. To maintain natural hydroperiods in the wetlands and connecting flow ways.
4. To ensure that adverse stormwater impacts do not occur upstream or downstream as a result of constructing the District improvements during regulatory-defined rainfall events.
5. To satisfactorily accommodate stormwater runoff from adjacent off-site areas which may naturally drain through the District.
6. To preserve the function of the flood plain storage during the 100-year storm event.

Water management and control systems will be designed in accordance with Hernando County technical standards. The District is anticipated to own and maintain these facilities.

## **4.2 WATER SUPPLY**

The District is located within the Hernando County utilities service area which will provide water supply for potable water service and fire protection to the property. The water supply improvements are anticipated to include 8" looped water mains which will supply potable water and service and fire protection to the District. Off-site improvements may be required to provide service to the District.

The water supply systems will be designed in accordance with Hernando County technical standards. It is anticipated that Hernando County will own and maintain these facilities.

## **4.3 SEWER AND WASTEWATER MANAGEMENT**

The District is located within the Hernando County utilities service area which will provide sewer and wastewater management service to the District. The sewer and wastewater management improvements are anticipated to include an 8" gravity sanitary sewer system within the road rights of way and pumping stations that will connect to an existing force main located north of the District. Off-site improvements may be required to provide service to the District.

All sanitary sewer and wastewater management facilities will be designed in accordance with Hernando County technical standards. It is anticipated that Hernando County will own and maintain these facilities.



#### **4.4 DISTRICT ROADS**

District Roads include the roadway asphalt, base, and subgrade, roadway curb and gutter, and sidewalks within rights of way abutting common areas.

All roads will be designed in accordance with the Hernando County technical standards and are anticipated to be owned and maintained by the Hernando County.

#### **4.5 PARKS AND RECREATIONAL FACILITIES**

Parks and recreation facilities are planned throughout the community and will be owned and maintained by the District.

#### **4.6 LANDSCAPING/ HARDSCAPE/IRRIGATION**

Community entry monumentation and landscape buffering and screening will be provided at several access points into the District. Irrigation will also be provided in the landscaped common areas.

It is anticipated that these improvements will be owned and maintained by the District.

#### **4.7 PROFESSIONAL SERVICES AND PERMITTING FEES**

Hernando County and SWFWMD impose fees for construction permits and plan reviews. These fees vary with the magnitude and size of the development. Additionally, engineering, surveying, and architecture services are needed for the subdivision, landscape, hardscape, and community amenity's design, permitting, and construction. As well, development/construction management services are required for the design, permitting, construction, and maintenance acceptance of the public improvements and community facilities.

Fees associated with performance and warranty financial securities covering Hernando County infrastructure may also be required.

These fees associated with public improvements may be funded by the District.

### **5.0 PUBLIC IMPROVEMENTS AND COMMUNITY FACILITIES COSTS**

See Appendix B for the Construction Cost Estimate of the Public Improvements and Community Facilities.



## 6.0 SUMMARY AND CONCLUSION

The District, as outlined above, is responsible for the functional development of the lands within the District and, except as noted above in this report, such public improvements and facilities are located within the boundary of the District.

The planning and design of the District will be in accordance with current governmental regulatory requirements.

Items of construction cost in this report are based on our review and analysis of the conceptual site plans for the development and recent costs expended in similar projects of nature and size. It is our professional opinion that the estimated infrastructure costs provided herein for the development are conservative to complete the construction of the Public Improvements and Community Facilities described herein. All such infrastructure costs are public improvements or community facilities as set forth in Section 190.012(1) and (2) of the Florida Statutes.

The estimate of the construction costs is only an estimate and not a guaranteed maximum cost. The estimated cost is based on historical unit prices or current prices being experienced for on-going and similar items of work in the Hernando County. The labor market, future costs of equipment and materials, and the actual construction process are all beyond our control. Due to this inherent possibility for fluctuation in costs, the total final cost may be more or less than this estimate.

The professional service for establishing the Construction Cost Estimate is consistent with the degree of care and skill exercised by members of the same profession under similar circumstances.

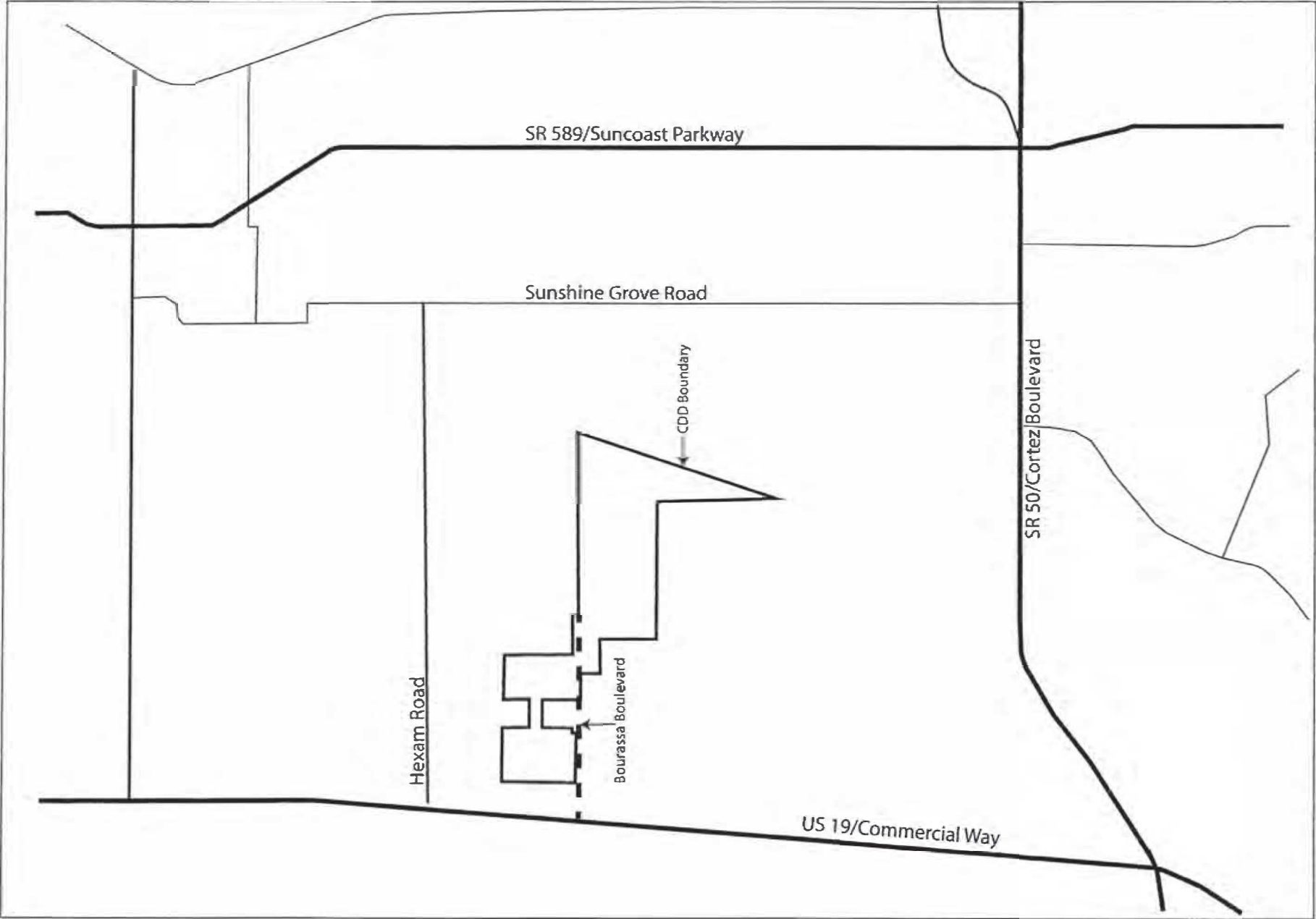
A handwritten signature in blue ink, appearing to read "Tonja L. Stewart", written over a horizontal line.

Tonja L. Stewart, P.E.  
Florida License No. 47704



**Lake Hideaway CDD**  
Bond Validation Report of the District Engineer  
November 16, 2021

## **Appendix A VICINITY MAP AND LEGAL DESCRIPTION OF THE DISTRICT**



SR 589/Suncoast Parkway

Sunshine Grove Road

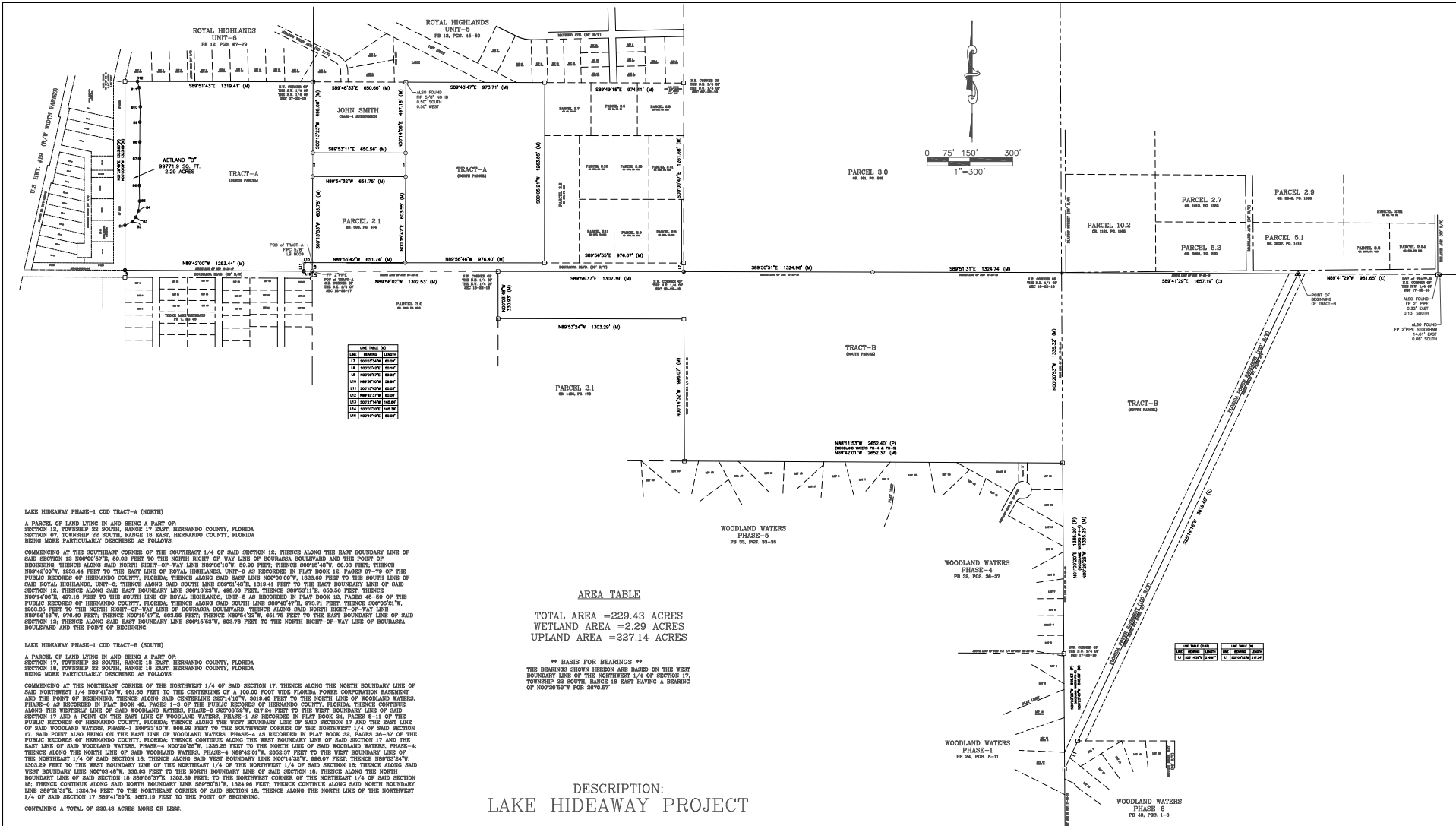
Hexam Road

CDD Boundary

Bourassa Boulevard

SR 50/Cortez Boulevard

US 19/Commercial Way



**AREA TABLE**

TOTAL AREA = 229.43 ACRES  
 WETLAND AREA = 2.29 ACRES  
 UPLAND AREA = 227.14 ACRES

**DESCRIPTION:**  
 LAKE HIDEAWAY PROJECT

CONTAINING A TOTAL OF 229.43 ACRES MORE OR LESS.

**\*\* BASIS FOR BEARINGS \*\***  
 THE BEARINGS SHOWN HEREON ARE BASED ON THE WEST BOUNDARY LINE OF THE NORTHEAST 1/4 OF SECTION 17, TOWNSHIP 22 SOUTH, RANGE 18 EAST HAVING A BEARING OF N00°00'00"W FOR 3076.97'

<p><b>SHEET</b></p> <p>1</p> <p>OF 1 SHEET</p> <p>20040-PH1-SKT</p>	<p>DATE SURVEYED: 05/21/21</p> <p>DRAWN BY: SMO</p> <p>DATE: 17/48-54</p> <p>REVISION: 04/28/21</p> <p>DATE: SURVEYED: REV. BY: COMMENTS:</p>	<p>REUSE OF DOCUMENT</p> <p>THIS DOCUMENT, COMPRISED OF THE INCORPORATED IDEAS AND DESIGNS, AS AN INSTRUMENT OF PROFESSIONAL SERVICE, IS THE PROPERTY OF COASTAL ENGINEERING ASSOCIATES, INC. AND IS NOT TO BE USED, IN WHOLE OR IN PART FOR ANY OTHER PURPOSE WITHOUT THE WRITTEN AUTHORIZATION OF COASTAL ENGINEERING ASSOCIATES, INC.</p>	<p><b>Coastal</b> Engineering Associates, Inc.</p> <p>3763 East Forest Drive        Brooksville, FL 34603        Office: 352-796-9422        EB-0000142        FLORIDA CERTIFICATE OF AUTHORIZATION NO. 7200</p>	<p><b>SKETCH &amp; LEGAL DESCRIPTION FOR PHASE-1 CDD</b></p> <p>SECTION 12, TOWNSHIP 22 SOUTH, RANGE 17 EAST AND SECTIONS 7, 8, &amp; 18, TOWNSHIP 22 SOUTH, RANGE 18 EAST HERNANDO COUNTY, FLORIDA</p>	<p>PREPARED FOR AND CERTIFIED TO:</p> <p><b>HAWK LAND INVESTORS NEW, LLC</b></p>
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**1. BEARINGS ARE BASED ON THE NORTH LINE OF THE SUBJECT PARCEL, ESTABLISHING AN ASSUMED BEARING OF 0° AS SHOWN ON THE PLAN OF RECORD.**

**2. BEARINGS FROM HEREON ARE BASED ON STATE PLANE COORDINATES AND ARE GPS BEARINGS.**

**3. ELEVATIONS ARE FROM MEANS SEA LEVEL.**

**4. NO UNDERGROUND IMPROVEMENTS OR UTILITIES HAVE BEEN LOCATED EXCEPT AS NOTED. THE HORIZONTAL LOCATION OF UNDERGROUND IMPROVEMENTS IS BASED ON THE PLANS AND LOCATIONS PROVIDED BY THE OWNER AND LOCATIONS WERE NOT PERFORMED EXCEPT WHERE SHOWN ON THE PLANS.**

**5. THE SURVEY IS OF THE EXISTING RECORDS. UNDERGROUND ENCROACHMENTS, IF ANY, WERE NOT LOCATED. OUTSIDE ENCROACHMENTS, BRUSH OR BOLLARDS, OR OTHER ENCROACHMENTS, IF ANY, WERE NOT LOCATED.**

**6. THE OWNERSHIP OF FENCES, IF ANY EXIST, OR NEAR THE PROPERTY LINES IS NOT KNOWN BY THIS SURVEYOR.**

**7. ANYTHING BELONGING TO THE SURVEYOR OR OTHER THAN THE SHOWN PARTY OR PARTIES IS PROVIDED AS IS WITHOUT WRITTEN CONSENT OF THE SHOWN PARTY OR PARTIES.**

**8. THIS SURVEY MAP IS VALID ONLY IF THESE PERSONS OR ENTITIES NAMED HEREON, COASTAL ENGINEERING ASSOCIATES, INC. WILL ASSUME NO RESPONSIBILITY FOR THE UNAUTHORIZED REPRODUCTION AND/OR DISTRIBUTION OF THIS SURVEY MAP.**

**9. ELEVATIONS AS SHOWN HEREON ARE BASED ON THE NORTH AMERICAN DATUM OF 83 (NAD 83) UNLESS OTHERWISE NOTED.**

**10. THE PROPERTY DESCRIBED HEREON APPEARS TO BE IN FLOOD ZONE "X" UNLESS OTHERWISE NOTED.**

**11. MAPS MAY NOT NECESSARILY SHOW ALL RIGHT-OF-WAYS, ENCUMBRANCES OR OTHER ENCUMBRANCES OF RECORD.**

**12. THIS PROPERTY IS SUBJECT TO ANY DEEDS, EASEMENTS, ENCUMBRANCES, RESTRICTIONS AND/OR AGREEMENTS OF RECORD AND NOT OF RECORD.**

**13. THE EXPECTED USE OF THE PROPERTY AS DESCRIBED HEREON, AS CLASSIFIED IN THE STANDARDS OF PRACTICE (S-1) OF THE FLORIDA SURVEYING BOARD (FSB), IS: "GENERAL SURVEYING AND MAPPING FOR LAND DEVELOPMENT OR CONVEYANCE."**

**14. THE WETLAND DELINEATION WAS PERFORMED BY THE CALCULATION OF COASTAL ENGINEERING ASSOCIATES, INC.**

**SURVEYOR'S CERTIFICATE**  
 THE SURVEY MEETS ALL APPLICABLE REQUIREMENTS OF THE FLORIDA STANDARDS OF PRACTICE AS CONTAINED IN CHAPTER 1S-17 OF THE FLORIDA ADMINISTRATIVE CODE.

**SCOTT W. GORDON, P.E.** DATE SIGNED: 05/21/21  
 PROFESSIONAL SURVEYOR AND MAPPING, FLORIDA CERTIFICATE NO. 12028  
 LICENSED SURVEYOR AND MAPPING FOR LAND DEVELOPMENT AND SEAL OF A FLORIDA LICENSED SURVEYOR AND MAPPING FOR LAND DEVELOPMENT OR CONVEYANCE OF A FLORIDA LICENSED SURVEYOR AND MAPPING FOR ELECTRONIC COPIES.



**Lake Hideaway CDD**  
Bond Validation Report of the District Engineer  
November 16, 2021

## **Appendix B    CONSTRUCTION COST ESTIMATE OF PUBLIC IMPROVEMENTS AND COMMUNITY FACILITIES**

## LAKE HIDEAWAY CDD

Description	Phase 1 2022	Phases 2-3 2023-2025	Total Estimated Budget
Engineering Design, Permitting, Surveying, Testing	\$400,000	\$800,000	\$1,200,000
Consultant I Management Fees	\$560,000	\$1,120,000	\$1,680,000
Storm Water Management	\$1,860,660	\$3,721,321	\$5,581,981
Roads	\$2,041,517	\$1,983,034	\$4,024,551
Potable Water	\$561,522	\$1,123,044	\$1,684,566
Sanitary Sewer	\$1,333,022	\$1,766,045	\$3,099,067
Dry Utilities Trenching	\$220,000	\$440,000	\$660,000
Recreational	\$350,000	\$700,000	\$1,050,000
Landscaping/Irrigation/Hardscape/Recreation	\$650,000	\$1,300,000	\$1,950,000
Permit and Other Fees	\$650,000	\$1,300,000	\$1,950,000
Contingency	\$446,339	\$892,678	\$1,339,017
<b>Total</b>	<b>\$9,073,061</b>	<b>\$15,146,121</b>	<b>\$24,219,182</b>

**Lake Hideaway Community  
Development District**

Report of the District Engineer –  
Capital Improvement Revenue Bonds,  
Series 2026 (Assessment Area Two)



Prepared for:  
Board of Supervisors  
Lake Hideaway Community  
Development District

Prepared by:  
Stantec Consulting Services Inc.  
777 S. Harbour Island Boulevard  
Suite 600  
Tampa, FL 33602  
(813) 223-9500

March 20, 2026



## **1.0 INTRODUCTION**

The Lake Hideaway Community Development District (the “District”) encompasses approximately 210.63 acres in Hernando County, Florida. The District is located within Section 12, Township 22 South, Range 17 East and Sections 7, 17 and 18, Township 22 South, Range 18 East, east of US Highway 19, south of Hexam Road, and northeast of Tooke Lake.

See Appendix A for a Vicinity Map, the Sketch and Legal Description for the District, and the Sketch and Legal Description of Pod D.

## **2.0 PURPOSE**

The District was established by Hernando County Ordinance 2021-21 effective on October 28, 2021, and as amended by Hernando County Ordinance 2024-16 effective on December 23, 2024, for the purpose of constructing and/or acquiring, maintaining, and operating all or a portion of the public improvements and community facilities within the District. A Report of the District Engineer, dated March 1, 2024, was prepared for the issuance of the Capital Improvement Revenue Bonds, Series 2024 (Assessment Area One) for Pods A, B and C. The construction of these pods is complete, and the subdivision plats have been recorded in the Hernando County records.

The purpose of this Report of the District Engineer, Capital Improvement Revenue Bonds, Series 2026 (Assessment Area Two) is to provide a description and estimated construction costs of the public improvements and community facilities within Pod D which is planned to contain 212 townhome units.

## **3.0 THE DEVELOPMENT**

Hawk Lake Hideaway, LLC (the “Developer”) is the property owner of the land encompassing Pod D. The master and subdivision public improvements and community facilities within the Pod D project include water management and control, water supply, sewer and wastewater management, roads, undergrounding of electrical service, landscaping/hardscaping/irrigation, and professional services and permitting fees.

Where applicable, the Pod D project is designed in accordance with Hernando County Land Development Regulations and Hernando County Facility Design Guidelines and the Southwest Florida Water Management Basis of Review.

See Appendix B for a Boundary Map of the development identifying Pod D.



## **4.0 PUBLIC IMPROVEMENTS AND COMMUNITY FACILITIES**

### **MASTER PUBLIC IMPROVEMENTS AND COMMUNITY FACILITIES**

#### **4.1 MASTER WATER MANAGEMENT AND CONTROL**

The Master Water Management and Control plan includes the storm sewer systems for the Master District Roads that connect to the stormwater ponds included in the Subdivision Water Management and Control. The objective of this water management and control is to convey runoff from the Master District Roads into stormwater ponds for treatment and storage.

Hernando County will own and maintain these storm sewer systems.

#### **4.2 MASTER DISTRICT ROADS**

Master District Roads include an extension of the District's collector roads, Eagle Shore Drive and Tropical Air Road, from the existing end of pavement which was completed as part of the Pods A, B, and C projects. Master District Roads include asphalt, base and subgrade, roadway curb and gutter, and sidewalks within rights-of-way abutting common areas.

Master District Roads will be owned and maintained by Hernando County.

#### **4.3 MASTER SEWER AND WASTEWATER MANAGEMENT**

The District is located within the Hernando County Utilities Department's service area. The Master Sewer and Wastewater Management improvements include collection sanitary sewer systems within the District's Master District Roads rights-of-way and/or easements and connections to existing systems.

Master Sewer and Wastewater Management improvements are designed in accordance with Hernando County Public Utilities Department's Water, Reclaimed Water, And Wastewater Construction Specifications Manual. Hernando County will own and maintain these facilities.

#### **4.4 MASTER WATER SUPPLY**

The District is located within the Hernando County Utilities Department's service area, and they will provide water supply for potable water service and fire protection. The Master Water Supply improvements include looped water mains within the Master District Roads rights-of-way that will connect to existing facilities.

Master Water Supply is designed in accordance with Hernando County Public Utilities Department's Water, Reclaimed Water, And Wastewater Construction Specifications Manual. Hernando County will own and maintain these facilities.



## **4.5 MASTER LANDSCAPING, IRRIGATION AND HARDSCAPING**

Monumentation and landscape buffering and screening associated with the Master District Roads are considered master improvements. Irrigation systems will be provided within the master landscaped areas.

These master improvements will be owned and maintained by the District.

## **4.6 MASTER PROFESSIONAL SERVICES AND PERMITTING FEES**

Hernando County and SWFWMD impose fees for reviewing design plans and issuing construction permits. Professional engineering, surveying, and architecture services are needed for the various master improvements. As well, development/construction management services may be utilized. Fees associated with performance and warranty financial securities may also be required to complete the master portion of the project and transition those improvements to operation and maintenance.

## **SUBDIVISION PUBLIC IMPROVEMENTS AND COMMUNITY FACILITIES**

### **4.7 SUBDIVISION WATER MANAGEMENT AND CONTROL**

The Subdivision Water Management and Control plan utilizes stormwater management facilities for stormwater runoff treatment and storage and storm sewer systems that convey runoff into the stormwater ponds.

Excavated soil from the stormwater ponds will remain on-site for use in building public infrastructure including roadways, landscape berming, stormwater pond embankment, utility trench backfill, and filling and grading of public property.

The objectives of the Subdivision Water Management and Control are:

1. To convey the development's runoff from the Subdivision District Roads, lots, and other open spaces into stormwater ponds, generally, through storm sewer systems, generated during the required rainfall events established by Hernando County.
2. To provide stormwater quality treatment.
3. To provide stormwater storage to protect the development within the District from regulatory-defined rainfall events.
4. To preserve the 100-year flood plain, per the current FEMA FIRM Panel.

The District will own and maintain these water management and control facilities.



#### **4.8 SUBDIVISION DISTRICT ROADS**

Subdivision District Roads include the subdivision street rights-of-way improvements, including the asphalt, base and subgrade, roadway curb and gutter, and sidewalks within rights of way abutting common areas.

The District will own and maintain these subdivision streets.

#### **4.9 SUBDIVISION SEWER AND WASTEWATER MANAGEMENT**

The District is located within Hernando County Utilities Department's service area which will provide sewer and wastewater management service. The Subdivision Sewer and Wastewater Management improvements include a collection system within the subdivision street rights-of-way and/or easements and connection to the Master Sewer and Wastewater Management or an existing operating system.

Subdivision Sewer and Wastewater Management systems are designed in accordance with Hernando County Public Utilities Department's Water, Reclaimed Water, And Wastewater Construction Specifications Manual. Hernando County will own and maintain these facilities.

#### **4.10 SUBDIVISION WATER SUPPLY**

The District is located within the Hernando County Utilities Department's service area which will provide service for potable water service and fire protection. The Subdivision Water Supply will include looped water mains within the subdivision street rights-of-way and/or easements and will connect to Master Water Supply facilities and/or existing water supply systems.

The Subdivision Water Supply is designed in accordance with Hernando County Public Utilities Department's Water, Reclaimed Water, And Wastewater Construction Specifications Manual. Hernando County will own and maintain these facilities.

#### **4.11 SUBDIVISION UNDERGROUNDING OF ELECTRICAL SERVICE AND STREET LIGHTS**

The District lies within the area served by Withlacoochee River Electric Cooperative, Inc. for electrical power service, and there are fees paid to convert this service from overhead to underground. It is also anticipated that streetlights will be constructed either through a lease or purchase by the District.

Subdivision underground electrical service conversion and street light costs cover improvements along subdivision streets.

#### **4.12 SUBDIVISION PROFESSIONAL SERVICES AND PERMITTING FEES**

Hernando County and SWFWMD impose fees for reviewing design plans and issuing construction permits. Professional engineering, surveying, and architecture services are needed for the various subdivision improvements and development/construction management services may be utilized.



Fees associated with performance and warranty financial securities may also be required to complete the subdivision portion of the project and transition these improvements to operation and maintenance.

## **5.0 PUBLIC IMPROVEMENTS AND COMMUNITY FACILITIES COSTS**

See Appendix C for the Public Improvements and Community Facilities Construction Cost Estimate.

## **6.0 CONSTRUCTION PERMITTING STATUS**

See Appendix D for the Permit Summary.

## **7.0 SUMMARY AND CONCLUSION**

Construction costs in this report are based on information from local contractor construction bids and analyses provided by the Developer. It is our professional opinion that the estimated infrastructure costs provided herein for the development are conservative to complete the construction of the Public Improvements and Community Facilities described herein.

A handwritten signature in blue ink, reading "Tonja L. Stewart", written over a horizontal line.

Tonja L. Stewart, P.E.

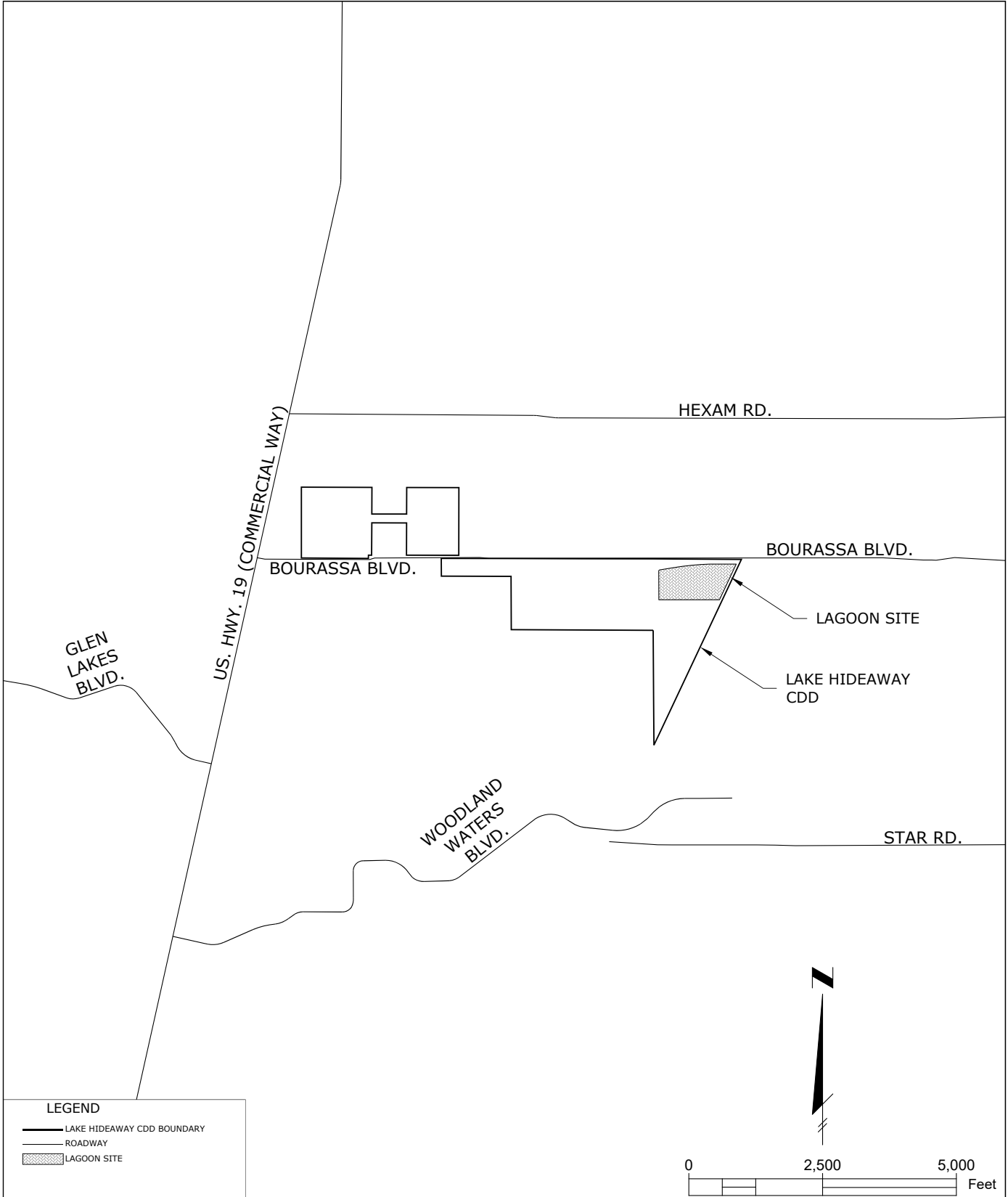
Florida License No. 47704



**Lake Hideaway CDD**

Report of the District Engineer – Capital Improvement Revenue Bonds, Series 2026 (Assessment Area Two)  
March 20, 2026

## **Appendix A VICINITY MAP, SKETCH AND LEGAL DESCRIPTION OF THE DISTRICT, AND SKETCH AND LEGAL DESCRIPTION OF POD D**



**LEGEND**

- LAKE HIDEAWAY CDD BOUNDARY
- == ROADWAY
- ▨ LAGOON SITE

**Coastal** engineering associates, inc.

Engineering  
 Planning  
 Surveying  
 Environmental  
 Traffic  
 Transportation  
 Construction Management

966 Candlelight Boulevard - Brooksville - Florida 34601  
 (352) 796-9423 - Fax (352) 799-8359  
 EB-0000142

**LOCATION MAP**

LAKE HIDEAWAY  
 COMMUNITY DEVELOPMENT DISTRICT

DATE  
 09/04/24

20049

**EX-A**



DESCRIPTION:  
LAKE HIDEAWAY CDD-1

LAKE HIDEAWAY PHASE-1 CDD TRACT-A (NORTH)

A PARCEL OF LAND LYING IN AND BEING A PART OF:  
SECTION 12, TOWNSHIP 22 SOUTH, RANGE 17 EAST, HERNANDO COUNTY, FLORIDA  
SECTION 07, TOWNSHIP 22 SOUTH, RANGE 18 EAST, HERNANDO COUNTY, FLORIDA  
BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF THE SOUTHEAST 1/4 OF SAID SECTION 12; THENCE ALONG THE EAST BOUNDARY LINE OF SAID SECTION 12 N00°09'57"E, 59.92 FEET TO THE NORTH RIGHT-OF-WAY LINE OF BOURASSA BOULEVARD AND THE POINT OF BEGINNING; THENCE ALONG SAID NORTH RIGHT-OF-WAY LINE N89°36'10"W, 59.90 FEET; THENCE S00°15'43"W, 60.03 FEET; THENCE N89°42'00"W, 1253.44 FEET TO THE EAST LINE OF ROYAL HIGHLANDS, UNIT-6 AS RECORDED IN PLAT BOOK 12, PAGES 67-79 OF THE PUBLIC RECORDS OF HERNANDO COUNTY, FLORIDA; THENCE ALONG SAID EAST LINE N00°00'09"W, 1323.69 FEET TO THE SOUTH LINE OF SAID ROYAL HIGHLANDS, UNIT-6; THENCE ALONG SAID SOUTH LINE S89°51'43"E, 1319.41 FEET TO THE EAST BOUNDARY LINE OF SAID SECTION 12; THENCE ALONG SAID EAST BOUNDARY LINE S00°13'23"W, 498.06 FEET; THENCE S89°53'11"E, 650.56 FEET; THENCE N00°14'06"E, 497.18 FEET TO THE SOUTH LINE OF ROYAL HIGHLANDS, UNIT-5 AS RECORDED IN PLAT BOOK 12, PAGES 45-59 OF THE PUBLIC RECORDS OF HERNANDO COUNTY, FLORIDA; THENCE ALONG SAID SOUTH LINE S89°48'47"E, 973.71 FEET; THENCE S00°05'21"W, 1263.85 FEET TO THE NORTH RIGHT-OF-WAY LINE OF BOURASSA BOULEVARD; THENCE ALONG SAID NORTH RIGHT-OF-WAY LINE N89°56'46"W, 976.40 FEET; THENCE N00°15'47"E, 603.55 FEET; THENCE N89°54'32"W, 651.75 FEET TO THE EAST BOUNDARY LINE OF SAID SECTION 12; THENCE ALONG SAID EAST BOUNDARY LINE S00°15'53"W, 603.78 FEET TO THE NORTH RIGHT-OF-WAY LINE OF BOURASSA BOULEVARD AND THE POINT OF BEGINNING.

LAKE HIDEAWAY PHASE-1 CDD TRACT-B (SOUTH)

A PARCEL OF LAND LYING IN AND BEING A PART OF:  
SECTION 17, TOWNSHIP 22 SOUTH, RANGE 18 EAST, HERNANDO COUNTY, FLORIDA  
SECTION 18, TOWNSHIP 22 SOUTH, RANGE 18 EAST, HERNANDO COUNTY, FLORIDA  
BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF THE NORTHWEST 1/4 OF SAID SECTION 17; THENCE ALONG THE NORTH BOUNDARY LINE OF SAID NORTHWEST 1/4 N89°41'29"W, 981.65 FEET TO THE CENTERLINE OF A 100.00 FOOT WIDE FLORIDA POWER CORPORATION EASEMENT AND THE POINT OF BEGINNING; THENCE ALONG SAID CENTERLINE S25°14'16"W, 3619.40 FEET TO THE NORTH LINE OF WOODLAND WATERS, PHASE-6 AS RECORDED IN PLAT BOOK 40, PAGES 1-3 OF THE PUBLIC RECORDS OF HERNANDO COUNTY, FLORIDA; THENCE CONTINUE ALONG THE WESTERLY LINE OF SAID WOODLAND WATERS, PHASE-6 S25°08'52"W, 217.24 FEET TO THE WEST BOUNDARY LINE OF SAID SECTION 17 AND A POINT ON THE EAST LINE OF WOODLAND WATERS, PHASE-1 AS RECORDED IN PLAT BOOK 24, PAGES 8-11 OF THE PUBLIC RECORDS OF HERNANDO COUNTY, FLORIDA; THENCE ALONG THE WEST BOUNDARY LINE OF SAID SECTION 17 AND THE EAST LINE OF SAID WOODLAND WATERS, PHASE-1 N00°23'40"W, 808.99 FEET TO THE SOUTHWEST CORNER OF THE NORTHWEST 1/4 OF SAID SECTION 17. SAID POINT ALSO BEING ON THE EAST LINE OF WOODLAND WATERS, PHASE-4 AS RECORDED IN PLAT BOOK 32, PAGES 36-37 OF THE PUBLIC RECORDS OF HERNANDO COUNTY, FLORIDA; THENCE CONTINUE ALONG THE WEST BOUNDARY LINE OF SAID SECTION 17 AND THE EAST LINE OF SAID WOODLAND WATERS, PHASE-4 N00°20'26"W, 1335.25 FEET TO THE NORTH LINE OF SAID WOODLAND WATERS, PHASE-4; THENCE ALONG THE NORTH LINE OF SAID WOODLAND WATERS, PHASE-4 N89°42'01"W, 2652.37 FEET TO THE WEST BOUNDARY LINE OF THE NORTHEAST 1/4 OF SAID SECTION 18; THENCE ALONG SAID WEST BOUNDARY LINE N00°14'32"W, 996.07 FEET; THENCE N89°53'24"W, 1303.29 FEET TO THE WEST BOUNDARY LINE OF THE NORTHEAST 1/4 OF THE NORTHWEST 1/4 OF SAID SECTION 18; THENCE ALONG SAID WEST BOUNDARY LINE N00°03'48"W, 330.93 FEET TO THE NORTH BOUNDARY LINE OF SAID SECTION 18; THENCE ALONG THE NORTH BOUNDARY LINE OF SAID SECTION 18 S89°56'37"E, 1302.39 FEET; TO THE NORTHWEST CORNER OF THE NORTHEAST 1/4 OF SAID SECTION 18; THENCE CONTINUE ALONG SAID NORTH BOUNDARY LINE S89°50'51"E, 1324.96 FEET; THENCE CONTINUE ALONG SAID NORTH BOUNDARY LINE S89°51'31"E, 1324.74 FEET TO THE NORTHEAST CORNER OF SAID SECTION 18; THENCE ALONG THE NORTH LINE OF THE NORTHWEST 1/4 OF SAID SECTION 17 S89°41'29"E, 1657.19 FEET TO THE POINT OF BEGINNING.

LESS THE FOLLOWING DESCRIBED PARCEL (LAGOON PARCEL)

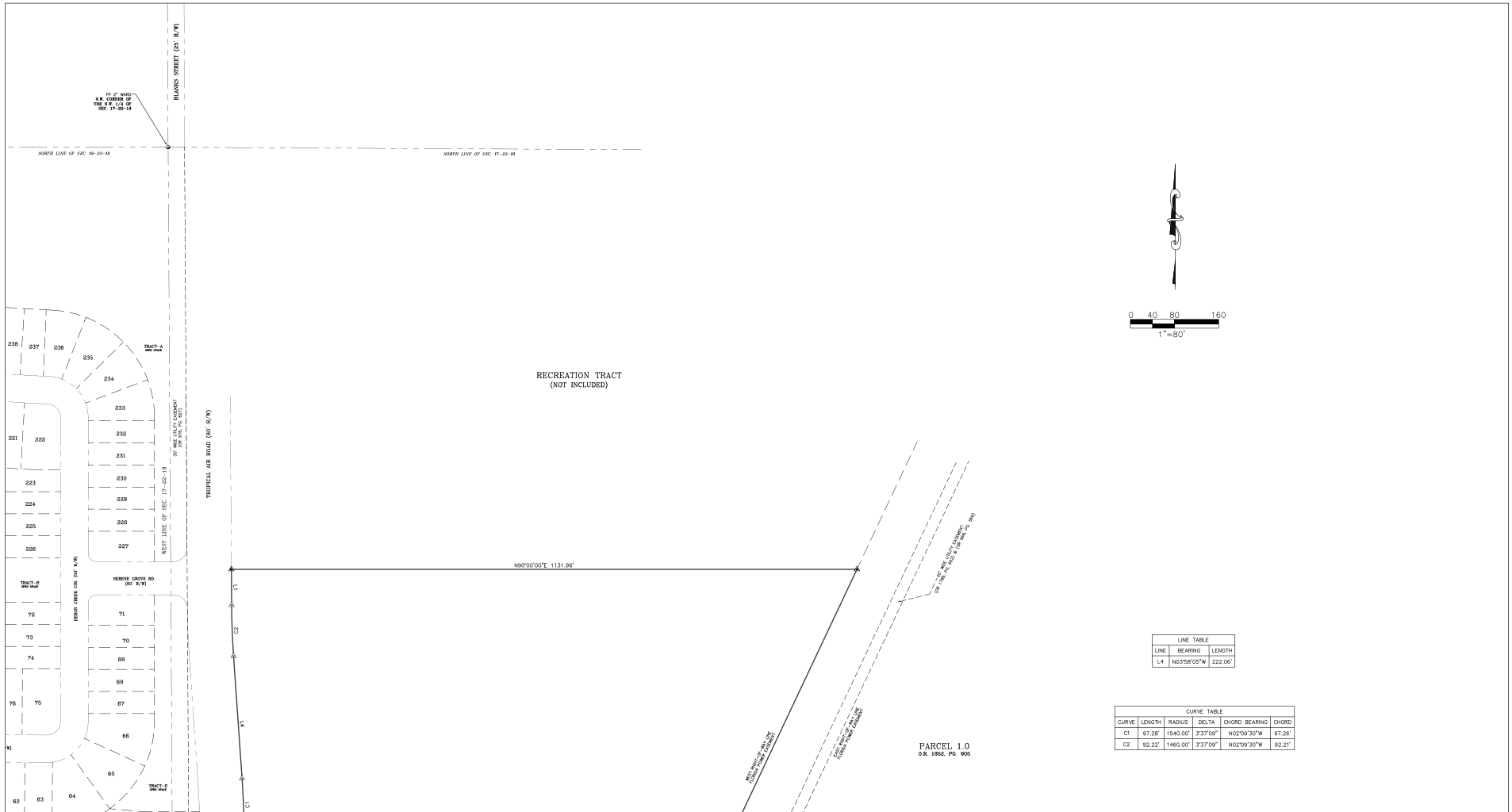
COMMENCING AT THE NORTHWEST CORNER OF SECTION 17, TOWNSHIP 22 SOUTH, RANGE 18 EAST, HERNANDO COUNTY, FLORIDA; THENCE ALONG THE WEST LINE OF SAID SECTION 17, RUN S00°20'53"E, 764.11 FEET; THENCE LEAVING SAID WEST LINE, RUN N90°00'00"E, 109.78 FEET TO THE POINT OF BEGINNING; THENCE N00°20'56"W, 533.63 FEET TO A POINT OF CURVATURE TO THE RIGHT, SAID CURVE BEING CONCAVE TO THE SOUTHEAST, HAVING A RADIUS OF 25.00 FEET, A CENTRAL ANGLE OF 80°55'26", AND A CHORD BEARING AND DISTANCE OF N40°06'47"E, 32.45 FEET; THENCE ALONG THE ARC OF SAID CURVE 35.31 FEET; THENCE N80°34'30"E, 258.74 FEET TO A POINT OF CURVATURE TO THE RIGHT, SAID CURVE BEING CONCAVE TO THE SOUTH, HAVING A RADIUS OF 4969.93 FEET, A CENTRAL ANGLE OF 9°44'40", AND A CHORD BEARING AND DISTANCE OF N85°26'50"E, 844.23 FEET; THENCE ALONG THE ARC OF SAID CURVE 845.24 FEET; THENCE S89°40'50"E, 331.36 FEET TO THE WEST RIGHT-OF-WAY LINE OF A 100 FOOT WIDE FLORIDA POWER EASEMENT; THENCE ALONG SAID WEST RIGHT-OF-WAY LINE, RUN S25°14'23"W, 736.26 FEET; THENCE LEAVING SAID WEST RIGHT-OF-WAY LINE, RUN N90°00'00"W, 1131.88 FEET TO THE POINT OF BEGINNING.

CONTAINING 18.80 ACRES MORE OR LESS.

TOTAL OVERALL BOUNDARIES CONTAINING 210.63 ACRES MORE OR LESS.

<p>C1 = SEE CURVE TABLE C2 = SEE LINE TABLE C3 = CALCULATED C4 = PLAT OR MAP C5 = FIELD MEASURED C6 = REVERSE OF CHAIN C7 = FOLD IRON PIN NO ID C8 = FOLD IRON PIN AND CAP</p> <p>SRC = SET IRON PIN AND CAP FMB = FOLD NAIL AND SINK CON = CONCRETE MONUMENT CLF = CHAIN LINK FENCE BWF = BARBED WIRE FENCE HWF = HOOD WIRE FENCE SIS = SIGN</p> <p>DWP = OVERHEAD POWER ELEC = ELECTRIC FPM = FACE OF PAVEMENT DRC = DEEP RECORDS FIB = FLAG BUSH RWC = RIGHT-OF-WAY SEC = SECTION MEL = METERS END SECTION</p> <p>RCF = REINFORCED CONCRETE PIPE TOS = TOP OF BANK TOS = TOP OF BANK POS = POINT OF BEGINNING POC = POINT OF COMMENCEMENT PCF = PERMANENT CONTROL POINT PFC = PERMANENT REFERENCE MONUMENT TOS = TOP OF BANK</p> <p>FIR = FIRE HYDRANT ULP = UTILITY POLE LIP = LIGHT POLE ULV = UTILITY VALVE TSR = TELEPHONE SERVICE RISER ETR = ELECTRIC TRANSFORMER FTR = FIBER OPTIC BOX MTR = METER</p> <p>SM = SANITARY MANHOLE USB = UTILITY SERVICE BOX CM = CATCH BASIN FMB = FOLD IRON PIN &amp; CAP (AS SHOWN) SIR = SET IRON PIN AND CAP (5/8" IR 18" F200) FMB = FOLD NAIL AND SINK (AS SHOWN) FCM = FOLD CONCRETE MONUMENT (AS SHOWN) MTR = METER POINT</p> <p>1. BEARING SHOWN HEREON BASED ON THE FLORIDA STATE PLANE COORDINATE SYSTEM, MEET 2002 NORTH AMERICAN DATUM OF 1983 (NAD 83), DOTT 2. BEARING ESTABLISHED BY AN ASSURED BEARING OF 10000000.00 ALONG THE WEST LINE OF THE N.W. 1/4 OF SEC. 17-22-18 BEARING SHOWN 3. BEARING AND DISTANCE 4. DISTANCE AND BEARING 5. DISTANCE AND BEARING 6. DISTANCE AND BEARING 7. DISTANCE AND BEARING 8. DISTANCE AND BEARING 9. DISTANCE AND BEARING 10. DISTANCE AND BEARING 11. DISTANCE AND BEARING 12. DISTANCE AND BEARING 13. DISTANCE AND BEARING 14. DISTANCE AND BEARING 15. DISTANCE AND BEARING 16. DISTANCE AND BEARING 17. DISTANCE AND BEARING 18. DISTANCE AND BEARING 19. DISTANCE AND BEARING 20. DISTANCE AND BEARING 21. DISTANCE AND BEARING 22. DISTANCE AND BEARING 23. DISTANCE AND BEARING 24. DISTANCE AND BEARING 25. DISTANCE AND BEARING 26. DISTANCE AND BEARING 27. DISTANCE AND BEARING 28. DISTANCE AND BEARING 29. DISTANCE AND BEARING 30. DISTANCE AND BEARING 31. DISTANCE AND BEARING 32. 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DISTANCE AND BEARING</p>	<p>DATE SUBMITTED: 08/28/24 DATE: 08/28/24 DRAWN BY: [REDACTED] FIELD BOOK/AREA: [REDACTED] FIELD DATE/SURVEY CHECK: 08/28/24</p> <p>REUSE OF DOCUMENT THIS DOCUMENT, COMPRISED OF THE INCORPORATED IDEAS AND DESIGN, IS AN INSTRUMENT OF PROFESSIONAL SERVICE, IS THE PROPERTY OF COASTAL ENGINEERING ASSOCIATES, INC. AND IS NOT TO BE USED, IN WHOLE OR IN PART, FOR ANY OTHER PURPOSE WITHOUT THE WRITTEN AUTHORIZATION OF COASTAL ENGINEERING ASSOCIATES, INC.</p>	<p><b>Coastal</b> Engineering Planning Surveying Environmental Construction Management</p> <p>966 Candlelight Blvd. Brooksville, FL 34601 Office: 352-796-9423</p> <p>8703 East Forest Drive Hernando, FL 34439 352-344-2016</p> <p>EB-0000142 FLORIDA CERTIFICATE OF AUTHORIZATION NO. 7200</p>	<p style="text-align: center;"><b>SKETCH &amp; LEGAL DESCRIPTION</b> FOR PHASE-1 CDD</p> <p style="text-align: center;">SECTION 12, TOWNSHIP 22 SOUTH, RANGE 17 EAST AND SECTIONS 7, 8, &amp; 18, TOWNSHIP 22 SOUTH, RANGE 18 EAST HERNANDO COUNTY, FLORIDA</p>	<p>PREPARED FOR AND CERTIFIED TO: <b>HAWK LAND INVESTORS NEW, LLC</b></p>	<p>SUBDIVISION CERTIFICATE THIS SURVEY MEETS ALL APPLICABLE REQUIREMENTS OF THE FLORIDA STATUTES AS PRACTICE IS CONTAINED IN CHAPTER 50-17 OF THE FLORIDA ADMINISTRATIVE CODE.</p> <p>DATE SIGNED: [REDACTED] PROFESSIONAL SURVEYOR AND MAPPER, FLORIDA CERTIFICATE NO. 15, 4028 SUPERVISOR OF SURVEYING, THE ORIGINAL SIGNATURE AND SEAL OF AN FLORIDA LICENSED SURVEYOR AND MAPPER FOR ELECTRONIC COPIES.</p>
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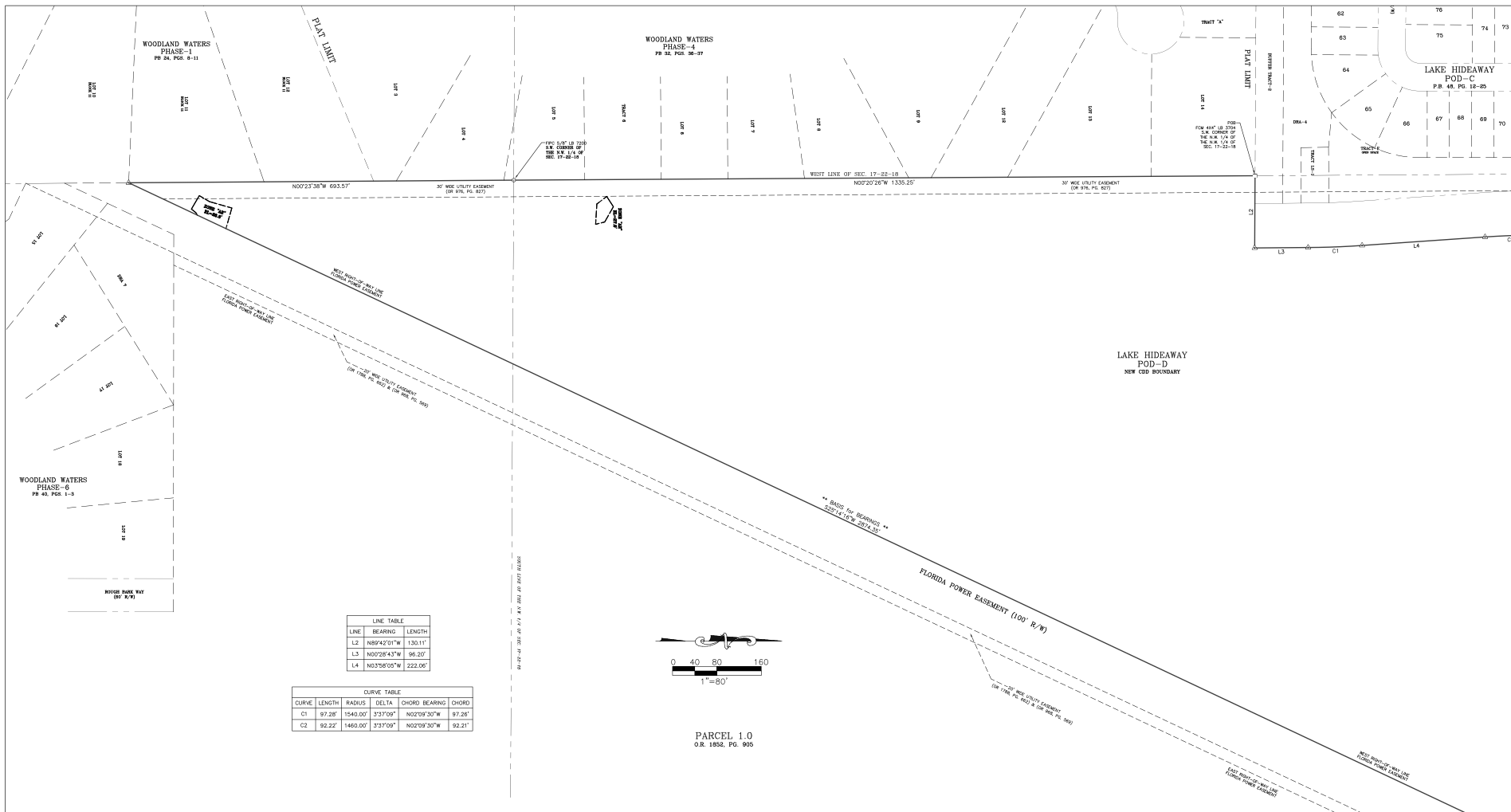


LINE TABLE	
LINE	BEARING LENGTH
L4	N03°58'05"W 222.06'

CURVE TABLE					
CURVE	LENGTH	RADIUS	DELTA	CHORD BEARING	CHORD
C1	97.28'	1540.00'	33°07'09"	N02°09'30"W	97.26'
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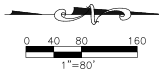
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|--|---|---|---|---|--|--|

<b>SHEET</b>  2  OF 4 SHEET  20049-27-SKT	<table border="1"> <thead> <tr> <th>DATE</th> <th>SURVEYOR</th> <th>DRAWN BY</th> <th>FIELD BOOK/PAGE</th> <th>FIELD DATE</th> <th>SURVEY CHECK</th> </tr> </thead> <tbody> <tr> <td>05/05/26</td> <td>SHD</td> <td>T.A.C.</td> <td>06/00</td> <td>05/10</td> <td>05/16</td> </tr> </tbody> </table>	DATE	SURVEYOR	DRAWN BY	FIELD BOOK/PAGE	FIELD DATE	SURVEY CHECK	05/05/26	SHD	T.A.C.	06/00	05/10	05/16	<p>REUSE OF DOCUMENT THIS DOCUMENT, COMPRISED OF THE INCORPORATED DEAS AND DESIGNS, AS AN INSTRUMENT OF PROFESSIONAL SERVICE, IS THE PROPERTY OF COASTAL ENGINEERING ASSOCIATES, INC. AND IS NOT TO BE USED, IN WHOLE OR IN PART FOR ANY OTHER PURPOSE WITHOUT THE WRITTEN AUTHORIZATION OF COASTAL ENGINEERING ASSOCIATES, INC.</p>	<p>366 Candlelight Blvd. Brooksville, FL 34601 Office: 352-796-9423</p> <p>3705 East Forest Drive Inverness, FL 34453 352-344-2016</p> <p>EB-000142 FLORIDA CERTIFICATE OF AUTHORIZATION NO. 7200</p>	<p><b>SKETCH ONLY</b> FOR LEGAL DESCRIPTION OF LAKE HIDEAWAY POD-D CDD NOT A BOUNDARY SURVEY SECTION 17, TOWNSHIP 22 SOUTH, RANGE 18 EAST HERNANDO COUNTY, FLORIDA</p>	<p>PREPARED FOR AND CERTIFIED TO: <b>HAWK LAKE HIDEAWAY, LLC.</b> LAKE HIDEAWAY CDD</p>	<p>SURVEYORS CERTIFICATE THE SURVEY MEETS ALL APPLICABLE REQUIREMENTS OF THE FLORIDA STATUTES OF PRACTICE, REQUIREMENTS OF CHAPTER 58-17 OF THE FLORIDA ADMINISTRATIVE CODE, DIGITALLY SIGNED &amp; SEALED ON 02/23/26. SEE SHEET 1 OF 4 FOR SIGNATURE DETAILS. THIS SURVEY IS NOT VALID WITHOUT ALL 4 PAGES. SCOTT M. GIBSON, P.S.M. DATE SIGNED: 02/23/26 PROFESSIONAL SURVEYOR AND MAPPER, FLORIDA CERTIFICATE NO. 15,409 SURVEY NOT VALID WITHOUT THE ORIGINAL SIGNATURE AND SEAL OF A FLORIDA LICENSED SURVEYOR AND MAPPER FOR HARD COPIES OR DIGITAL SIGNATURE AND SEAL. ACQUIRED BY A REAL ESTATE BROKER BY A FLORIDA LICENSED SURVEYOR AND MAPPER FOR ELECTRONIC COPIES.</p>
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PARCEL 1.0  
D.K. 1852, PG. 005

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<p>SHEET <b>3</b> OF 4 SHEET</p>	<table border="1"> <thead> <tr> <th>DATE</th> <th>SURVEYOR</th> <th>DRAWN BY</th> <th>FIELD BOOK/PAGE</th> <th>FIELD DATE</th> <th>SURVEY OVER</th> </tr> </thead> <tbody> <tr> <td>05/05/26</td> <td>SHD</td> <td>T.A.C.</td> <td>06/00</td> <td>05/10</td> <td>05/15</td> </tr> </tbody> </table>	DATE	SURVEYOR	DRAWN BY	FIELD BOOK/PAGE	FIELD DATE	SURVEY OVER	05/05/26	SHD	T.A.C.	06/00	05/10	05/15	<p>REUSE OF DOCUMENT THIS DOCUMENT, COMPRISED OF THE INCORPORATED KEAS AND DESIGNS, AS AN INSTRUMENT OF PROFESSIONAL SERVICE, IS THE PROPERTY OF COASTAL ENGINEERING ASSOCIATES, INC. AND IS NOT TO BE USED, IN WHOLE OR IN PART, FOR ANY OTHER PURPOSE WITHOUT THE WRITTEN AUTHORIZATION OF COASTAL ENGINEERING ASSOCIATES, INC.</p>	<p><b>Coastal</b> Engineering Planning Surveying Environmental Construction Management engineering associates, inc.</p> <p>966 Candlelight Blvd. Brooksville, FL 34601 Office: 352-796-9423</p> <p>3705 East Forest Drive Inverness, FL 34453 352-344-2016</p> <p>ES-0000142 FLORIDA CERTIFICATE OF AUTHORIZATION NO. 7200</p>	<p style="text-align: center;"><b>SKETCH ONLY</b> FOR LEGAL DESCRIPTION OF LAKE HIDEAWAY POD-D CDD NOT A BOUNDARY SURVEY SECTION 17, TOWNSHIP 22 SOUTH, RANGE 18 EAST HERNANDO COUNTY, FLORIDA</p>	<p>PREPARED FOR AND CERTIFIED TO: <b>HAWK LAKE HIDEAWAY, LLC.</b> LAKE HIDEAWAY CDD</p>	<p>SURVEYORS CERTIFICATE THE SURVEY MEETS ALL APPLICABLE REQUIREMENTS OF THE FLORIDA STATUTES OF PRACTICE, REGISTRATION IN CHAPTER 54-17 OF THE FLORIDA STATUTES WHICH GOVERN DIGITALLY SIGNED &amp; SEALED ON 02/23/26 SEE SHEET 1 OF 4 FOR SIGNATURE DETAILS. THIS SURVEY IS NOT VALID WITHOUT ALL 4 PAGES SCOTT M. OSBERG, P.S.M. DATE SIGNED 05/05/26 PROFESSIONAL SURVEYOR AND MAPPER, FLORIDA CERTIFICATE NO. 15,409 SURVEY NOT VALID WITHOUT THE ORIGINAL SIGNATURE AND SEAL OF A FLORIDA LICENSED SURVEYOR AND MAPPER FOR HARD COPIES OR DIGITALLY SIGNED AND SEALED. ACQUIRED BY A REAL ESTATE BROKER OF A FLORIDA LICENSED SURVEYOR AND MAPPER FOR ELECTRONIC COPIES.</p>
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# LEGAL DESCRIPTION for LAKE HIDEAWAY POD-D

A PARCEL OF LAND LYING IN AND BEING A PART OF SECTION 17, TOWNSHIP 22 SOUTH, RANGE 18 EAST, HERNANDO COUNTY, FLORIDA. BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4 OF SAID SECTION 17, AND THE NORTHEAST CORNER OF WOODLAND WATERS, PHASE-4 AS RECORDED IN PLAT BOOK 32, PAGES 36 THROUGH 37 OF THE PUBLIC RECORDS OF HERNANDO COUNTY, FLORIDA; THENCE S89°42'01"E, 130.11 FEET TO THE EAST RIGHT-OF-WAY LINE OF TROPICAL AIR ROAD; THENCE ALONG SAID EAST RIGHT-OF-WAY LINE, RUN N00°28'43"W, 96.20 FEET TO A POINT OF CURVATURE TO THE LEFT. SAID CURVE BEING CONCAVE TO THE WEST, HAVING A RADIUS OF 1540.00 FEET, A CENTRAL ANGLE OF 03°37'09", AND A CHORD BEARING AND DISTANCE OF N02°09'30"W, 97.26 FEET; THENCE ALONG THE ARC OF SAID CURVE 97.28 FEET; THENCE N03°58'05"W, 222.06 FEET TO A POINT OF CURVATURE TO THE RIGHT. SAID CURVE BEING CONCAVE TO THE EAST, HAVING A RADIUS OF 1460.00 FEET, A CENTRAL ANGLE OF 03°37'09", AND A CHORD BEARING AND DISTANCE OF N02°09'30"W, 92.21 FEET; THENCE ALONG THE ARC OF SAID CURVE 92.22 FEET; THENCE N00°20'56"W, 64.83 FEET; THENCE LEAVING SAID EAST RIGHT-OF-WAY LINE, RUN N90°00'00"E, 1131.96 FEET TO THE WEST RIGHT-OF-WAY LINE OF A 100 FOOT WIDE FLORIDA POWER EASEMENT; THENCE ALONG SAID WEST RIGHT-OF-WAY LINE, RUN S25°14'16"W, 2874.35 FEET TO THE WEST LINE OF SAID SECTION 17, AND THE EAST LINE OF WOODLAND WATERS, PHASE-1, AS RECORDED IN PLAT BOOK 24, PAGES 8 THROUGH 11 OF THE PUBLIC RECORDS OF HERNANDO COUNTY, FLORIDA; THENCE ALONG THE WEST LINE OF SAID SECTION 17, AND THE EAST LINE OF WOODLAND WATERS, PHASE-1, RUN N00°23'38"W, 693.57 FEET TO THE SOUTHWEST CORNER OF THE NORTHWEST 1/4 OF SAID SECTION 17, AND THE SOUTHEAST CORNER OF WOODLAND WATERS, PHASE-4 AS RECORDED IN PLAT BOOK 32, PAGES 36 THROUGH 37 OF THE PUBLIC RECORDS OF HERNANDO COUNTY, FLORIDA; THENCE CONTINUE ALONG THE WEST LINE OF SAID SECTION 17, AND THE EAST LINE OF WOODLAND WATERS, PHASE-4, N00°20'26"W, 1335.25 FEET TO THE POINT OF BEGINNING.

CONTAINING 35.49 ACRES MORE OR LESS.

C1 = SEE CURVE TABLE L1 = SEE LINE TABLE (C) = CALCULATED (F) = FIELD MEASURED (M) = FIELD MEASURED (S) = RECORD OF DEED FND = FOUND IRON PIN AND CAP FNC = FOUND IRON PIN AND CAP FNI = FOUND IRON PIN AND CAP FND = FOUND NAIL AND DISK FCM = FOUND CONCRETE MONUMENT SFC = SET IRON PIN AND CAP SCM = SET CONCRETE MONUMENT CONC = CONCRETE REC = RECORDED DRA = DRAINAGE RETENTION AREA	FTE = FINISHED FLOOR ELEVATION COR = CERTIFIED CORNER REPORT CBS = CONCRETE BLOCK STRUCTURE CLF = CHAIN LINK FENCE B.W.F. = BARBED WIRE FENCE H.W.F. = HIGH WIRE FIELD FENCE SW = SIDEWALK EP = EDGE OF PAVEMENT ELEC = ELECTRIC OHP = OVERHEAD POWER D.R. = DRAINAGE RECORD P.B. = PLAT BOOK P.C. = POINT OF CURVATURE P.T. = POINT OF TANGENT	R/W = RIGHT-OF-WAY AC = AIR CONDITIONER PAD CS = CONCRETE SLAB CE = COVERED ENTRY SE = SECTION MES = MIXED END SECTION RCP = REINFORCED CONCRETE PIPE TOP = TOP OF BANK TDE = TIE OF SLOPE TBM = TEMPORARY BENCHMARK POB = POINT OF BEGINNING POC = POINT OF COMMENCEMENT PRC = POINT OF REVERSE CURVE PCC = POINT OF CURVATURE +100.0' = EXISTING ELEVATION	FH = FIRE HYDRANT UL = UTILITY POLE LP = LIGHT POLE UG = UTILITY GATE VALVE ES = ELECTRIC SERVICE RISER ET = ELECTRIC TRANSFORMER FIBER = FIBER OPTIC BOX WM = WATER METER WS = WATER SERVICE FCM = FOUND CONCRETE MONUMENT (AS SHOWN) SCM = SET CONCRETE MONUMENT (4X4" LB #7200) DC = DESCRIPTIVE POINT	SI = SIGN USB = UTILITY SERVICE BOX CM = CURB MARKER FIC = FOUND IRON PIN & CAP (AS SHOWN) SIC = SET IRON PIN AND CAP (1/8" IR LB #7200) FND = FOUND NAIL AND DISK (AS SHOWN) SND = SET NAIL AND DISK (LB #7200) FCM = FOUND CONCRETE MONUMENT (AS SHOWN) SCM = SET CONCRETE MONUMENT (4X4" LB #7200) DC = DESCRIPTIVE POINT	1. BEARINGS SHOWN HEREON BASED ON THE FLORIDA STATE PLANE COORDINATE SYSTEM, WEST ZONE, NORTH AMERICAN DATUM OF 1983 (NAD 83), 2011 ADJUSTMENT. 2. BEARS SHOWN HEREON ARE GRID BEARINGS. 3. BASIS FOR SKETCH IS SITE PLAN, RECORD PLAT, AND MONUMENTATION FOUND IN PLACE. 4. NO UNDERGROUND IMPROVEMENTS OR UTILITIES HAVE BEEN LOCATED EXCEPT AS NOTED. THE HORIZONTAL LOCATION OF UNDERGROUND IMPROVEMENTS IS BASED ON THE FLAGGED LOCATION PROVIDED BY THE CONTRACTOR. SOFT DIGGS TO CONFIRM SAID LOCATIONS WERE NOT PERFORMED EXCEPT WHERE TOP OF PIPE ELEVATIONS ARE INDICATED. 5. UNDERGROUND ENCROACHMENTS, IF ANY, WERE NOT LOCATED. GUTTERS, OVERHANGS, WINDOW SILLS, OR UNDERGROUND FOUNDATIONS NOT LOCATED. 6. THE OWNERSHIP OF EASEMENTS, IF ANY EXIST, ON OR NEAR THE PROPERTY LINES IS NOT KNOWN BY THIS SURVEYOR. 7. ADDITIONAL DELETIONS REPRODUCTION OF SKETCH DRAWINGS BY OTHER THAN THE SIGNED PARTY OR PARTIES IS PROHIBITED BY LAW WITHOUT WRITTEN CONSENT OF THE SIGNED PARTY OR PARTIES. 8. THIS SKETCH MAP IS VALID ONLY TO THOSE PERSONS OR ENTITIES NAMED HEREON. COASTAL ENGINEERING ASSOCIATES, INC. WILL ASSUME NO RESPONSIBILITY FOR THE UNAUTHORIZED REPRODUCTION AND/OR REDISTRIBUTION OF THIS SKETCH MAP.	9. ELEVATIONS AS SHOWN HEREON ARE BASED ON THE NORTH AMERICAN VERTICAL DATUM OF 1988, UNLESS OTHERWISE NOTED. 10. THIS SKETCH WAS CONDUCTED WITHOUT THE BENEFIT OF A COMPLETE TITLE REPORT OR TITLE ABSTRACT AND THEREFORE MAY NOT NECESSARILY SHOW ALL RIGHT-OF-WAYS, EASEMENTS OR OTHER ENCUMBRANCES OF RECORD. 11. THE PROPERTY IS SUBJECT TO ANY DEDICATION, LIMITATIONS, RESERVATIONS, RESTRICTIONS, AND/OR EASEMENTS OF RECORD AND NOT OF RECORD. 12. THE EXPECTED USE OF THE PROPERTY AS DESCRIBED HEREON, AS CLASSIFIED IN THE STANDARDS OF PRACTICE (5-1-17) OF THE FLORIDA ADMINISTRATIVE CODES, IS "RESIDENTIAL". THE MINIMUM RELATIVE DISTANCE ACCURACY FOR THIS TYPE OF BOUNDARY SURVEY IS 1 FOOT IN 7,500 FEET. THE ACCURACY OBTAINED BY MEASUREMENT AND CALCULATION OF A CLOSED GEOMETRIC FIGURE WAS FOUND TO MEET OR EXCEED THIS REQUIREMENT. 13. THE PROPERTY DESCRIBED HEREON APPEARS TO BE IN FLOOD ZONE "X" (AREA DETERMINED TO FALL OUTSIDE OF THE 1% CHANCE ANNUAL FLOODPLAIN AND FLOOD ZONE "AC" (AREA DETERMINED TO FALL INSIDE OF THE 1% CHANCE ANNUAL FLOODPLAIN) AS SCALED FROM THE FLOOD INSURANCE RATE MAP COMMUNITY NUMBER 12010, MAP NUMBER 12010C, PANEL NUMBER 0108-B & 0109-B, EFFECTIVE DATE 02/02/2012.
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SHEET <b>4</b> OF 4 SHEET 447 001 20049-27-SKT	DATE: 05/05/26 SURV: SHD DRAWN BY: T.A.C. FIELD BOOK/PAGE: 05/10 DATE SURVEY: 05/10	REUSE OF DOCUMENT THIS DOCUMENT, COMPRISED OF THE INCORPORATED DEEDS AND DESIGNS, AS AN INSTRUMENT OF PROFESSIONAL SERVICE, IS THE PROPERTY OF COASTAL ENGINEERING ASSOCIATES, INC. AND IS NOT TO BE USED, IN WHOLE OR IN PART, FOR ANY OTHER PURPOSE WITHOUT THE WRITTEN AUTHORIZATION OF COASTAL ENGINEERING ASSOCIATES, INC.	<b>Coastal</b> Engineering Planning Surveying Environmental Construction Management engineering associates, inc. 966 Candlelight Blvd. Brooksville, FL 34601 Office: 352-796-9423 3705 East Forest Drive Tampa, FL 34613 Office: 352-344-2016 ES-0000142 FLORIDA CERTIFICATE OF AUTHORIZATION NO. 7200	SKETCH ONLY FOR LEGAL DESCRIPTION OF LAKE HIDEAWAY POD-D CDD NOT A BOUNDARY SURVEY SECTION 17, TOWNSHIP 22 SOUTH, RANGE 18 EAST HERNANDO COUNTY, FLORIDA	PREPARED FOR AND CERTIFIED TO: <b>HAWK LAKE HIDEAWAY, LLC.</b> LAKE HIDEAWAY CDD	SURVEYORS CERTIFICATE THE SURVEY MEETS ALL APPLICABLE REQUIREMENTS OF THE FLORIDA STATUTES OF PRACTICE, REGISTRATION CHAPTER 541.11 OF THE FLORIDA STATUTES GOVT. CODE. DIGITALLY SIGNED & SEALED ON 02/23/26 SEE SHEET 1 OF 4 FOR SIGNATURE DETAILS. THIS SURVEY IS NOT VALID WITHOUT ALL 4 PAGES SCOTT M. OSBORNE, PSM DATE SIGNED: 02/23/26 PROFESSIONAL SURVEYOR AND MEMBER, FLORIDA CERTIFICATE NO. 4098 SURVEY NOT VALID WITHOUT THE ORIGINAL SIGNATURE AND SEAL OF A FLORIDA LICENSED SURVEYOR AND MAPPER FOR LAND SURVEY OR SURVEYING AND NOT BE REPRODUCED BY ANY MEANS WITHOUT THE WRITTEN AUTHORIZATION OF A FLORIDA LICENSED SURVEYOR AND MAPPER FOR ELECTRIC CODES.
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**Lake Hideaway CDD**

Report of the District Engineer – Capital Improvement Revenue Bonds, Series 2026 (Assessment Area Two)  
March 20, 2026

## **Appendix B    BOUNDARY MAP**

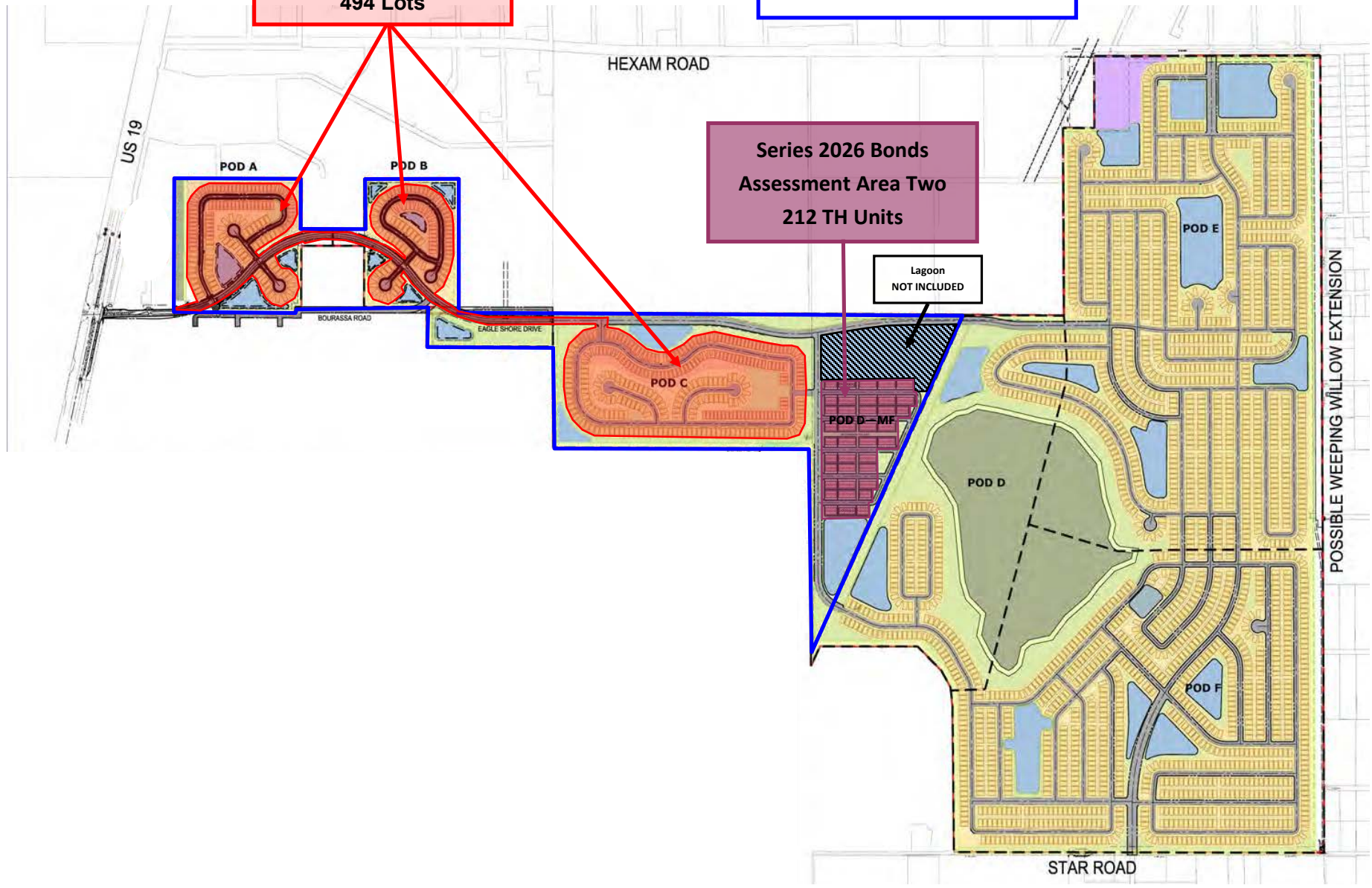
# Lake Hideaway CDD Boundary Map

Series 2024 Bonds  
Assessment Area One  
494 Lots

Series 2026 Bonds  
Assessment Area Two  
212 TH Units

Lagoon  
NOT INCLUDED

POSSIBLE WEEPING WILLOW EXTENSION





**Lake Hideaway CDD**

Report of the District Engineer – Capital Improvement Revenue Bonds, Series 2026 (Assessment Area Two)  
March 20, 2026

## **Appendix C CONSTRUCTION COST ESTIMATE OF PUBLIC IMPROVEMENTS AND COMMUNITY FACILITIES**

**Lake Hideaway CDD**  
**2026 BONDS PROJECT COST**

Items	Description	Assessment Area Two		Combined Total
		Master	Subdivision	
1	District Roads	\$896,900	\$807,600	\$1,704,500
2	Water Management and Control	\$677,400	\$3,781,600	\$4,459,000
3	Sanitary Sewer & Wastewater Management	\$24,600	\$797,100	\$821,700
4	Potable Water Supply	\$344,500	\$806,100	\$1,150,600
5	Undergrounding of Electrical Supply		\$318,000	\$318,000
6	Landscaping/Irrigation/Hardscaping	\$420,000	\$445,200	\$865,200
7	Profession Services/Fees/Perf. Bonds	\$100,000	\$636,000	\$736,000
<b>Total</b>		<b>\$2,463,400</b>	<b>\$7,591,600</b>	<b>\$10,055,000</b>



**Lake Hideaway CDD**

Report of the District Engineer – Capital Improvement Revenue Bonds, Series 2026 (Assessment Area Two)  
March 20, 2026

## **Appendix D PERMIT SUMMARY**

**Lake Hideaway CDD Permit Matrix**

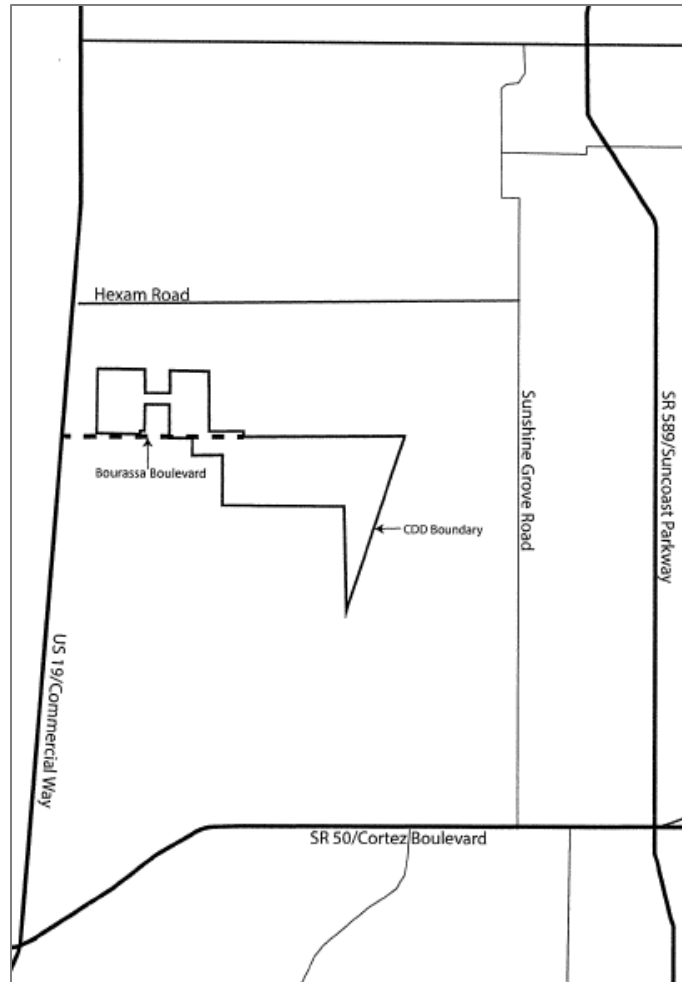
Permit	Number	Date	Notes
<b>Pod D</b>			
County Construction & Mass Grading Approval	1500754	4/23/2025	
SWFWMD ERP	43030839.007	11/19/2024	
FDEP-Potable Water	0125158-052-DS/C	10/17/2025	
FDEP-Wastewater	S25-23	9/5/2025	
SFWMD - Water	20 021198.000	12/17/2024	
FFWCC - Gopher Tortiose (if applicable)	GTC-25-00080	2/27/2025	

**APPENDIX B**  
**ASSESSMENT REPORT**

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**LAKE HIDEAWAY  
COMMUNITY DEVELOPMENT DISTRICT**

**MASTER SPECIAL ASSESSMENT METHODOLOGY REPORT  
FOR THE ISSUANCE OF CAPITAL IMPROVEMENT REVENUE BONDS**



**November 16, 2021**

**Prepared by**

DPFG Management & Consulting LLC  
250 International Parkway, Suite 280  
Lake Mary, Florida 32746

**LAKE HIDEAWAY COMMUNITY DEVELOPMENT DISTRICT  
MASTER SPECIAL ASSESSMENT METHODOLOGY REPORT**

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## **THE DISTRICT**

### ***General***

The petition to establish the Lake Hideaway Community Development District (the “CDD” or “District”) was adopted by the Board of County Commissioners of Hernando County and the District was subsequently created by Ordinance No. 2021-21. The District encompasses 229.43 acres.

### ***Purpose***

The District is a local unit of special-purpose government established pursuant to, and existing in accordance with, Chapter 190, Florida Statutes (the “Act”). Pursuant to the Act, the District was created for the purpose of delivering certain community development services and facilities within its jurisdiction, including the design, acquisition and/or construction of certain public infrastructure improvements consisting of, but not limited to, roadways, water, sewer and wastewater, reclaimed water and irrigation systems, storm water management, community amenities, landscaping improvements, signage and lighting, electrical power and professional services and fees, as further described in the District Engineer’s Report, prepared by Stantec, dated November 16, 2021 (the “Project”).

### ***Methodology Reports***

This report provides a master assessment methodology for analyzing the benefits derived from the Project and determining the fair and equitable allocation of such benefits through the levy of special assessments on property within the District to fund all or portions of the Project. It is designed to conform to the requirements of Chapters 170 and 190, Florida Statutes, with respect to special assessments. The District plans to issue bonds to finance portions of the Project as development progresses. The District will deliver a supplemental assessment methodology report associated with each bond issuance describing the phase of the development and improvements to be funded.

## **PROJECT FINANCING AND BENEFIT ALLOCATION**

To advance development of the land in the District, the District plans to finance the construction of the Project thru the issuance of multiple series of bonds. The bonds will be secured by and payable from the levy of Special Assessments collected from property that benefits from the public improvements constructed with proceeds from the bond issues. The amount of the Special Assessment is based on mathematical formulas that consider benefit from the bond funded infrastructure.

### ***Infrastructure Project***

The Project contains improvements that benefit all assessable units within the District (the “Improvements”). Accordingly, the Special Assessments levied in connection with the Improvements will be levied on all planned units in the District. The Project is estimated to cost approximately \$24.22 million.

A summary of the estimated costs of the Project, as shown in the Engineer’s Report, is set forth in the following table.

**Table 1 - Estimated Project Costs**

<b>Improvement Category</b>	<b>Total</b>
Engineering Design, Permitting, Surveying, Testing	\$1,200,000
Consultant   Management Fees	1,680,000
Storm Water Management	5,581,981
Roads	4,024,551
Potable Water	1,684,566
Sanitary Sewer	3,099,067
Dry Utilities Trenching	660,000
Recreational	1,050,000
Landscaping/Irrigation/Hardscape/Recreation	1,950,000
Permit and Other Fees	1,950,000
Contingency	1,339,017
<b>Total</b>	<b>\$24,219,182</b>

The proposed issuance of multiple series of bonds is anticipated to fund a portion or all of the costs associated with the development of the District which is planned for a total 679 lots.<sup>1</sup> The developer will covenant through a completion agreement to be entered into at the time of closing on each series of bonds to complete the Project to the extent any portions of the same are not funded with the net proceeds of each bond issue.

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<sup>1</sup> At this time, total lot count is based on an approval of a preliminary plat for 211 single-family residential lots and a site plan for an additional 260 single-family residential lots and 208 townhomes.

### ***Benefits***

The construction of the Project will advance development of the properties within the District and will thereby create special benefits for those properties, and enhance the value of the property. All properties within the District will generally benefit from the Project, but developed residential lots with structures have an added benefit from the Project, for example, in terms of vehicular access, disposal of plumbing waste thru a system of pipes, flood prevention thru a stormwater collection system, potable water lines, recreational facilities, and other basic public infrastructure benefits for use of the subdivision.

### ***Assessment Allocation***

The preliminary land use plan describes the development of the land in one construction phase with final build-out anticipated to include a total of 679 residential dwelling units to be constructed on lots of varying frontage along a street. Customarily in the land development industry, residential lots are sold and bought in the market in standard lot width categories pursuant to purchase contracts, as opposed by exact lot width measurements of the street front footage or the size of such lot shown on a future plat map (this concept is referred to as “**Product Type**” herein). The methodology herein allocates debt Special Assessments to such residential Product Types based upon the benefits derived from the Project and apportioned such benefit to particular Product Types based on frontage and proposed construction plans for each Product Type. Accordingly, this report utilizes Project costs as a proxy value for benefit and allocates the Special Assessments based on standard front foot, or frontage, as standard measurement of land applied at the frontage, or linear distance, along a street.

Each constructed unit on a lot Product Type of fifty feet street frontage will be assigned an equal 1.0 Equivalent Residential Unit (“**ERU**”) value and ranking; then proportion the amount of the Special Assessment for each individual platted lot based on respective lot front footage categories and Product Types. In the event that multi-family units or different types of townhomes are constructed, it is anticipated that such units would be assigned a different ERU value based on proposed construction plans. This ERU ranking is the basis upon which the benefits to other lot size categories are measured. The advantage to an ERU structured methodology includes the ability to assign identical benefits to generally uniform sized lots or similarly used properties (e.g., all Product Types with front footage of fifty feet are assigned 1.0 ERU irrespective of home size or phase) or assign different ERUs to reflect different land uses (e.g., residential versus non-residential).

In connection with the Project, as of this date, the developer has informed the District that it plans to construct 679 lots of varying Product Types as shown in the table below, which represents a total of 554.32 ERUs.

**Table 2 – Proposed Product Type Mix and ERU Assignment**

<b>Lot Product Types</b>	<b>Assigned ERU</b>	<b>Lots</b>	<b>Total ERU</b>	<b>% ERU</b>
Townhome (TH)	0.64	208	133.12	24.0%
40'	0.80	249	199.20	35.9%
50'	1.00	222	222.00	40.0%
<b>Total</b>		<b>679</b>	<b>554.32</b>	<b>100.0%</b>

**PROJECT BOND FINANCING PROGRAM**

For purposes of this master report, the bond principal amount and associated maximum annual debt service assessments (“MADS”) have been sized based on funding all of the Project costs described in the Engineer’s Report and adjusted for allowable bond financing costs including capitalized interest, reserves and costs of issuance. These bond principal amounts represent a maximum bonding amount. The developable properties within the District will constitute the properties on which the Special Assessments are levied to repay the bonds. These properties include those which will be developed into the planned 679 residential units. The following table sets forth an estimated sources and uses of the bonds for the maximum bonding amount to finance all of the Project costs.

**Table 3 – Estimated Maximum Sources and Uses of Funds**

<b>Sources</b>	<b>Total</b>	<b>Percent of Total</b>
Bond Proceeds - Par	\$33,230,000	100.0%
<b>Uses</b>		
Acquisition and Construction Account	\$24,219,182	72.9%
Debt Service Reserve Fund	\$2,544,668	7.7%
Capitalized Interest	\$5,399,875	16.3%
Cost of Issuance	\$400,000	1.2%
Underwriter's Discount	\$664,600	2.0%
<i>rounding</i>	<i>\$1,675</i>	<i>0.0%</i>
<b>Total Uses</b>	<b>\$33,230,000</b>	<b>100.0%</b>

***Assessment Levy and Collection***

Each fiscal year, the District will certify for collection the Special Assessments in connection with the MADS, or debt service requirement , for each bond series. The following table summarizes the estimated MADS requirement for all phases of development.

**Table 4 - Maximum Annual Debt Service<sup>2</sup>**

<b>Phases</b>	<b>Lots</b>	<b>Total ERU</b>	<b>Total MADS</b>	<b>MADS/ERU</b>
All	679	554.32	\$2,544,668	\$4,591

Prior to recordation of a subdivision plat map, the Special Assessments and debt will be allocated to each property, as described by FOLIO or legal description, based on acreage. Upon recordation of a subdivision plat map the lot sizes are determinable, and the Special Assessments will then be levied on the individual lots based on the ERU assigned to each lot.

**ASSESSMENT ALLOCATION STANDARDS**

***Standard***

There are two requirements for a valid special assessment that is made pursuant to District legislative authority: (1) the property assessed must derive a direct and special benefit from the improvement or service provided, and (2) the assessment must be fairly and reasonably apportioned among properties that receive the special benefits. Section 170.02, Florida Statutes, states “Special assessments against property deemed to be benefited by local improvements, as provided for in sec. 170.01, shall be assessed upon the property specially benefited by the improvement in proportion to the benefits to be derived therefrom, said special benefits to be determined and prorated according to the foot frontage of the respective properties specially benefited by said improvement, or by such other method as the governing body of the municipality may prescribe.”

The ERU allocation approach is a generally recognized and commonly approved method of proportionally spreading assessments over benefited properties for special assessments levied by community development districts. Although the general public outside the District will benefit from the Project, such benefits are incidental. The facilities in the Project meet the needs of the developed property within the District, as well as provide benefit to all residential property within the District. The property owners within the District are

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<sup>2</sup> Excluding County collection charges and early payment discount.

therefore receiving special benefits not received by those outside the boundaries, and direct and cumulative benefits accrue mainly to residents.

### ***Methodology***

This benefit and allocation approach is based on the principle that dwelling units on a similar size lot will receive a relatively equal and direct benefit from the Project. The direct benefits from these improvements include increased use, enjoyment and increased property values to all residential properties, and the direct benefits from each public improvement system and function provided by the District. The benefits are quantified and assigned to lots based on construction timing, phasing, and costs.

An assessment methodology based on ERUs provides a way to allocate the benefit that different lot sizes and land use types receive from public improvements in terms of their equivalence to a single-family residential dwelling unit on a fifty-foot-wide lot, which is defined as 1.0 ERU. Under the ERU model, the District allocates special assessments on platted property proportionately based on generally uniform lot size as indicated on the subject recorded plat map; special assessments on undeveloped property (e.g., property without recorded subdivision plat map) are allocated proportionately based on acreage basis. The special assessments are fairly and reasonably allocated based on lot front footage categories and acreage among properties that receive the special benefits; for example, upon plat map recordation, the special assessments per lot front footage are generally uniform for each benefitted lot.

### ***Special Benefits***

As described above in the present case, the financing program will enable the District to provide for the construction and/or acquisition of the Project. Such public improvements will provide direct benefit for the utilization of this property, will substantially enhance the use and enjoyment of the benefitted residential properties, and will increase the value and marketability of the benefitted residential properties. These benefits flow proportionately over all benefitted properties. The District will apply the assessment methodology to the financing program relating to the Project. All residential units will proportionally benefit from the construction of the Project.

### ***Rates***

A rate and method of apportionment of the Special Assessments is attached as Appendix. The developer may decide to re-adjust product types within the District in order to meet market demand. Changes in product types may or may not trigger a density “true-up” obligation depending on whether or not the revised product mix, consistent with the terms of the assessment allocation methodology, is able to absorb the Special Assessments that were originally planned to be levied under the existing development plan outlined at the time of the actual bond issuance.

At time of bond issuance, the true up obligation is described in the supplemental assessment methodology report. The supplemental assessment report anticipates a mechanism by which the landowner shall, if required, make certain payments to the District in order to satisfy, in whole or in part, the assessments allocated and the liens imposed pursuant to adopted resolutions, the amount of such payments being equal to the par debt that is not capable of being assigned to the total number of developed units, plus any applicable interest charges and collection fees as described in the supplemental assessment report (which payments shall collectively be referenced as the “**True-Up Payment**”). The true-up obligation, as described herein and in each supplemental assessment resolution, constitutes a part of the Special Assessments and is enforceable as part of the Special Assessment liens. Additionally, the landowner desires to guarantee the payment of any True-Up Payment required of it and all other owners of land within the District; and the landowner and the District desire to enter into an agreement to confirm the landowner’s intentions and obligations to make any and all True-Up Payments related to the assessments.

In the event Undeveloped Property (“**Transferred Parcel**”) is sold to a third party not affiliated with the Developer, the Special Assessments will be assigned to that Transferred Parcel based on the maximum total number of Lots assigned by the Developer to the Transferred Parcel (subject to any true-up considerations if applicable as determined by the District in its sole discretion). The owner of the Transferred Parcel will be responsible for the total assessments applicable to the Transferred Parcel, regardless of the total number of Lots ultimately actually platted. These total assessments are fixed to the Transferred Parcel at the time of the sale. If the Transferred Parcel is subsequently sub-divided into smaller parcels, the total assessments initially allocated to the Transferred Parcel will be re-allocated to the smaller parcels pursuant to the methodology as described herein (i.e. equal assessment per acre until platting).

The District reserves the right to reallocate the Special Assessments in the event that the Project is not completed as anticipated or for other circumstances that may legally require such a reallocation, provided however that any such reallocation shall not be construed to relieve any party of contractual or other obligations to the District.

## **PRELIMINARY ASSESSMENT ROLL AND COLLECTION**

A Preliminary Assessment Roll is attached in the Appendix.

## **CONCLUSION**

The acquisition and construction of the Project using bond proceeds will be utilized for common District purposes. These assessments will be levied over all benefited properties on a fair and equitable basis as described herein. The benefited properties will receive benefits in excess of the allocated assessments.

Accordingly, this is an appropriate District project that will significantly benefit the properties and enhance the District.

***Special Benefit***

The Project will provide special benefits to parcels within the District. The parcels will receive special benefits, because the subject Project delivers interconnected structural improvements that provide an infrastructure system, which supports and adds to the entire development of the District. The Project yields benefits to parcel owners in terms of meeting basic public infrastructure needs and increasing property values.

***Assessment Apportionment***

The Special Assessments are fairly and equally apportioned over all the benefited properties. The benefits, using Project costs as proxy for benefit, are quantified and assigned to parcels based on lot size categories and Product Types since larger lot areas consume proportionately greater benefits than smaller lots from the Project. The District assigned an ERU value and ranking to the expected lot sizes on the basis that a Product Type with frontage of approximately fifty feet receives the value of 1.0 ERU.

***Reasonableness of Assessment Apportionment***

It is reasonable, proper and just to assess the costs of the Project against lands in the District. As a result of the Project, properties in the District receive special benefit and increase in value. Based on the premise that the benefits from the District's Project make the properties useful for residential use, more accessible and valuable, in return it is reasonable for the District to levy the Special Assessments against benefitted lands within the District. The benefits will be equal to or in excess of the Special Assessments thereon when allocated.

***Best Interest***

The District provides for delivering the Project in a timely, orderly, and efficient manner. It can economically and efficiently provide the amount and quality of services required by the public. The District provides a financing mechanism to (i) fund the Project at a relatively low cost of capital, and (ii) on a timely, "pay for itself" type basis. The exercise by the District of its powers is consistent with applicable with state law. It is in the best interest of the District.

## **APPENDIX 1. RATE AND METHOD OF APPORTIONMENT OF SPECIAL ASSESSMENT**

The Special Assessments shall be levied on all parcels within the CDD that benefit from the Project and will be collected each Fiscal Year in an amount determined by the CDD through the application of this rate and method of apportionment as described below. All of the real property within the CDD, unless exempted by law or the provisions hereof, shall be assessed for the purposes, to the extent and in the manner herein provided.

### ***A. Definitions***

The terms hereinafter set forth have the following meanings:

**“Administrative Expenses”** means any actual or reasonably estimated expenses of the CDD to carry out the administration of the CDD related to the determination of the amount of the Special Assessments, the collection of Special Assessments, and costs otherwise incurred in order to carry out the authorized purposes of the CDD.

**"Appraiser's Parcel"** means a Lot or parcel shown in Hernando County appraiser's parcel map, or included or includable in Hernando County's non-ad valorem assessment roll designated by folio or PIN.

**"Assessable Property"** means all of the Appraiser's Parcels within the boundaries of the CDD that are not exempt from the Special Assessment pursuant to law or as defined below.

**“District Debt”** means bonds or other debt issued by the CDD, which are secured by the levy of Special Assessments of the CDD.

**"Developed Property"** means all Taxable Property for which the Hernando County property appraiser designated a property use code for each Lot that indicates developed residential property, as reasonably determined by the CDD, or a Lot which has legal entitlements created by a recorded Plat Map and whose physical characteristics are a fine grade level pad with infrastructure contiguous to each individual lot, asphalt paved roads, and the necessary utilities.

**“ERU”** means a way to quantify different land use types in terms of their equivalence to a fifty-foot-wide lot Product Type, which is defined as 1.0 ERU.

**"Fiscal Year"** means the period starting October 1 and ending on the following September 30.

**"Lot"** means an individual residential lot, identified and numbered on a recorded final subdivision map, on which a building permit has been or is permitted to be issued for construction of a residential unit without further subdivision of the lot and for which no further subdivision of the lot is anticipated.

**“Property Owner Association Property”** means any property within the CDD boundaries that is owned by a property owner association, including any master or sub-association.

**"Public Property"** means any property within the CDD boundaries that is, at the time of the CDD formation, expected to be used for any public purpose and is owned by or dedicated to the federal government, the State of Florida, Hernando County, Florida, the District or any other public agency.

**"Special Assessments"** means the Special Assessments levied pursuant to the provisions of Sections C and D below in each Fiscal Year on each Appraiser's Parcel of Developed Property and Undeveloped Property in the CDD to fund the Special Assessment Requirement.

**“Special Assessment Requirement”** means that amount determined by the CDD’s Board of Supervisors that is required in any Fiscal Year to pay regularly scheduled debt service for the calendar year, which commences in such Fiscal Year, on the outstanding District Debt, less available funds pursuant to the indenture.

**"Undeveloped Property"** means, for each Fiscal Year, all Assessable Property not classified as Developed Property, such as vacant acreage or similar property use codes as determined by the CDD.

***B. Assignment of Land Use Categories and of ERU***

Each Fiscal Year, all Assessable Property within each phase of the CDD shall be classified as Developed Property or Undeveloped Property, and shall be subject to Special Assessment pursuant to Sections C and D below.

***C. Annual Maximum Special Assessment Requirement***

Refer to Table 3 for details on the bond sizing. The estimated maximum annual debt service (MADS), or Special Assessment Requirement, to fund all of the Project costs is presented in the following table.

**Table 5 - Estimated Special Assessment Requirement (MADS)**

<b>Special Assessment Requirement</b>	<b>Maximum \$ Amount (excl. County charges and early payment discount)</b>
All Bond Series	\$2,544,668

***D. Special Assessment Rate***

**1. Developed Property in All Phases**

After recordation of a Plat Map, the Special Assessments are allocated as illustrated in the following table.

**Table 6 – Developed Property Assigned ERU, Maximum Debt and MADS Allocation for All Lots**

Lot Product Type	Lots	ERU	Total ERU	% ERU	Par Amt.	Par/Lot	MADS	MADS/Lot
TH	208	0.64	133.12	24.0%	\$7,980,188	\$38,366	\$611,102	\$2,938
40'	249	0.80	199.20	35.9%	\$11,941,507	\$47,958	\$914,450	\$3,672
50'	222	1.00	222.00	40.0%	\$13,308,306	\$59,947	\$1,019,116	\$4,591
<b>Total</b>	<b>679</b>		<b>554.32</b>	<b>100.0%</b>	<b>\$33,230,000</b>		<b>\$2,544,668</b>	

**2. Undeveloped Property**

**a) District Debt Allocation**

Prior to recordation of a Plat Map, the District Debt is allocated per acre as illustrated in the following table.

**Table 7 – Un-Developed Property Assigned ERU, Maximum Debt and MADS Allocation**

Property	Total Units	ERU	Total Acreage (Ac)	Par Amt.	Par / Ac	MADS	MADS / Ac
All Phases	679	554.32	229.430	\$33,230,000	\$144,837	\$2,544,668	\$11,091

***E. Method of Apportionment of the Special Assessment***

Each Fiscal Year, the CDD shall levy the Special Assessments as follows:

**First (Developed Property):** The Special Assessment shall be levied proportionately on each Appraiser’s Parcel of Developed Property in an amount up to 100% of the applicable Special Assessment rate as determined pursuant to Section D.1 for each particular phase or subdivision.

**Second (Undeveloped Property):** If additional monies are needed to satisfy the debt service requirement after the first step has been completed, the Special Assessment shall be levied proportionally on each Appraiser’s Parcel of Undeveloped Property at up to 100% of the Assigned Special Assessment rate for Undeveloped Property as determined pursuant to Section D.2 for each particular phase.

**Third – True Up:** If additional monies are needed to satisfy the debt service requirement after the first two steps have been completed as a result of a plat or re-plat of property, the owner of such property will be obligated to immediately remit to the trustee, for deposit into the redemption account,

the total bond principal amount for the difference between the debt service requirement and the Special Assessment revenue generated after the first two steps have been completed (the “**True Up Obligation**”). The true up obligation will be described in a separate agreement as part of the bond documents.

Refer to the Appendix for a preliminary assessment roll illustrating the initial levy of the Special Assessments in accordance with the method of apportionment described above.

***F. Manner of Collection***

The Special Assessments shall be collected in the same manner and at the same time as ordinary *ad valorem* property taxes once parcels are platted. The CDD intends to directly collect Special Assessments on unplatted parcels, and, to the extent permitted by the applicable indenture and in the CDD’s discretion, for bulk ownership of platted lots. Note that the Special Assessments securing each bond series may be made payable in no more than 30 yearly installments.

**APPENDIX 2. ESTIMATED PUBLIC IMPROVEMENT COSTS AND BENEFIT ALLOCATION**

As described above, the total benefits will be, of course, the completed public infrastructure with estimated costs in the amount of \$24.22 million. The following tables allocate the Project costs, which are used as a proxy for benefit, excluding bond financing costs. Refer to Engineer’s Report for cost details.

**Table 8 – Project Costs and Benefit Allocation**

<b>Lot Product Type</b>	<b>Total Units</b>	<b>ERU</b>	<b>Total ERU</b>	<b>% ERU</b>	<b>Total Cost (as proxy for benefit)</b>	<b>Benefit Per Unit</b>
TH	208	0.64	133.12	24.0%	\$5,816,239	\$27,963
40'	249	0.80	199.20	35.9%	\$8,703,386	\$34,953
50'	222	1.00	222.00	40.0%	\$9,699,557	\$43,692
<b>Total</b>	<b>679</b>		<b>554.32</b>	<b>100.0%</b>	<b>\$24,219,182</b>	

### **APPENDIX 3. PRELIMINARY ASSESSMENT ROLL**

The following table shows the preliminary assessment roll. Refer to the legal description of the District for a complete depiction of the District's boundaries.

**Table 9 - Preliminary Assessment Roll**

<b>Parcel Area Identification / (b)</b>	<b>Owner / (b)</b>	<b>Acreage (a)</b>	<b>% Ac</b>	<b>Total District Debt / (c)</b>	<b>Total MADS / (d)</b>
Refer to legal description of the District in the Engineer's Report	Hawk Land Investors New, LLC	229.43	100%	\$33,230,000	\$2,544,668

***Footnote:***

- 
- (a) Estimate based on legal description at time of establishment of the District. Acreage includes lowlands.
  - (b) Owner information per County records. There are multiple Parcel IDs associated with the District.
  - (c) The Special Assessments will remain levied against Undeveloped Property on an equal acreage basis until the Assessable Property is platted.
  - (d) Excluding County collection charges and early payment discounts.

## APPENDIX 4. DISTRICT BOUNDARY LEGAL DESCRIPTION

### LAKE HIDEAWAY PHASE-1 CDD TRACT-A (NORTH)

A PARCEL OF LAND LYING IN AND BEING A PART OF:

SECTION 12, TOWNSHIP 22 SOUTH, RANGE 17 EAST, HERNANDO COUNTY, FLORIDA  
SECTION 07, TOWNSHIP 22 SOUTH, RANGE 18 EAST, HERNANDO COUNTY, FLORIDA  
BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF THE SOUTHEAST 1/4 OF SAID SECTION 12; THENCE ALONG THE EAST BOUNDARY LINE OF SAID SECTION 12 N00°09'57"E, 59.92 FEET TO THE NORTH RIGHT-OF-WAY LINE OF BOURASSA BOULEVARD AND THE POINT OF BEGINNING; THENCE ALONG SAID NORTH RIGHT-OF-WAY LINE N89°36'10"W, 59.90 FEET; THENCE S00°15'43"W, 60.03 FEET; THENCE N89°42'00"W, 1253.44 FEET TO THE EAST LINE OF ROYAL HIGHLANDS, UNIT-6 AS RECORDED IN PLAT BOOK 12, PAGES 67-79 OF THE PUBLIC RECORDS OF HERNANDO COUNTY, FLORIDA; THENCE ALONG SAID EAST LINE N00°00'09"W, 1323.69 FEET TO THE SOUTH LINE OF SAID ROYAL HIGHLANDS, UNIT-6; THENCE ALONG SAID SOUTH LINE S89°51'43"E, 1319.41 FEET TO THE EAST BOUNDARY LINE OF SAID SECTION 12; THENCE ALONG SAID EAST BOUNDARY LINE S00°13'23"W, 498.06 FEET; THENCE S89°53'11"E, 650.56 FEET; THENCE N00°14'06"E, 497.18 FEET TO THE SOUTH LINE OF ROYAL HIGHLANDS, UNIT-5 AS RECORDED IN PLAT BOOK 12, PAGES 45-59 OF THE PUBLIC RECORDS OF HERNANDO COUNTY, FLORIDA; THENCE ALONG SAID SOUTH LINE S89°48'47"E, 973.71 FEET; THENCE S00°05'21"W, 1263.85 FEET TO THE NORTH RIGHT-OF-WAY LINE OF BOURASSA BOULEVARD; THENCE ALONG SAID NORTH RIGHT-OF-WAY LINE N89°56'46"W, 976.40 FEET; THENCE N00°15'47"E, 603.55 FEET; THENCE N89°54'32"W, 651.75 FEET TO THE EAST BOUNDARY LINE OF SAID SECTION 12; THENCE ALONG SAID EAST BOUNDARY LINE S00°15'53"W, 603.78 FEET TO THE NORTH RIGHT-OF-WAY LINE OF BOURASSA BOULEVARD AND THE POINT OF BEGINNING.

### LAKE HIDEAWAY PHASE-1 CDD TRACT-B (SOUTH)

A PARCEL OF LAND LYING IN AND BEING A PART OF:

SECTION 17, TOWNSHIP 22 SOUTH, RANGE 18 EAST, HERNANDO COUNTY, FLORIDA  
SECTION 18, TOWNSHIP 22 SOUTH, RANGE 18 EAST, HERNANDO COUNTY, FLORIDA  
BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF THE NORTHWEST 1/4 OF SAID SECTION 17; THENCE ALONG THE NORTH BOUNDARY LINE OF SAID NORTHWEST 1/4 N89°41'29"W, 981.65 FEET TO THE CENTERLINE OF A 100.00 FOOT WIDE FLORIDA POWER CORPORATION EASEMENT AND THE POINT OF BEGINNING; THENCE ALONG SAID CENTERLINE S25°14'16"W, 3619.40 FEET TO THE NORTH LINE OF WOODLAND WATERS, PHASE-6 AS RECORDED IN PLAT BOOK 40, PAGES 1-3 OF THE PUBLIC RECORDS OF HERNANDO COUNTY, FLORIDA; THENCE CONTINUE ALONG THE WESTERLY LINE OF SAID WOODLAND WATERS, PHASE-6 S25°08'52"W, 217.24 FEET TO THE WEST BOUNDARY LINE OF SAID SECTION 17 AND A POINT ON THE EAST LINE OF WOODLAND WATERS, PHASE-1 AS RECORDED IN PLAT BOOK 24, PAGES 8-11 OF THE PUBLIC RECORDS OF HERNANDO COUNTY, FLORIDA; THENCE ALONG THE WEST BOUNDARY LINE OF SAID SECTION 17 AND THE EAST LINE OF SAID WOODLAND WATERS, PHASE-1 N00°23'40"W, 808.99 FEET TO THE SOUTHWEST CORNER OF THE NORTHWEST 1/4 OF SAID SECTION 17. SAID POINT ALSO BEING ON THE EAST LINE OF WOODLAND WATERS, PHASE-4 AS RECORDED IN PLAT BOOK 32, PAGES 36-37 OF THE PUBLIC RECORDS OF HERNANDO COUNTY, FLORIDA; THENCE CONTINUE ALONG THE

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WEST BOUNDARY LINE OF SAID SECTION 17 AND THE EAST LINE OF SAID WOODLAND WATERS, PHASE-4 N00°20'26"W, 1335.25 FEET TO THE NORTH LINE OF SAID WOODLAND WATERS, PHASE-4; THENCE ALONG THE NORTH LINE OF SAID WOODLAND WATERS, PHASE-4 N89°42'01"W, 2652.37 FEET TO THE WEST BOUNDARY LINE OF THE NORTHEAST 1/4 OF SAID SECTION 18; THENCE ALONG SAID WEST BOUNDARY LINE N00°14'32"W, 996.07 FEET; THENCE N89°53'24"W, 1303.29 FEET TO THE WEST BOUNDARY LINE OF THE NORTHEAST 1/4 OF THE NORTHWEST 1/4 OF SAID SECTION 18; THENCE ALONG SAID WEST BOUNDARY LINE N00°03'48"W, 330.93 FEET TO THE NORTH BOUNDARY LINE OF SAID SECTION 18; THENCE ALONG THE NORTH BOUNDARY LINE OF SAID SECTION 18 S89°56'37"E, 1302.39 FEET; TO THE NORTHWEST CORNER OF THE NORTHEAST 1/4 OF SAID SECTION 18; THENCE CONTINUE ALONG SAID NORTH BOUNDARY LINE S89°50'51"E, 1324.96 FEET; THENCE CONTINUE ALONG SAID NORTH BOUNDARY LINE S89°51'31"E, 1324.74 FEET TO THE NORTHEAST CORNER OF SAID SECTION 18; THENCE ALONG THE NORTH LINE OF THE NORTHWEST 1/4 OF SAID SECTION 17 S89°41'29"E, 1657.19 FEET TO THE POINT OF BEGINNING.

CONTAINING A TOTAL OF 229.43 ACRES MORE OR LESS.

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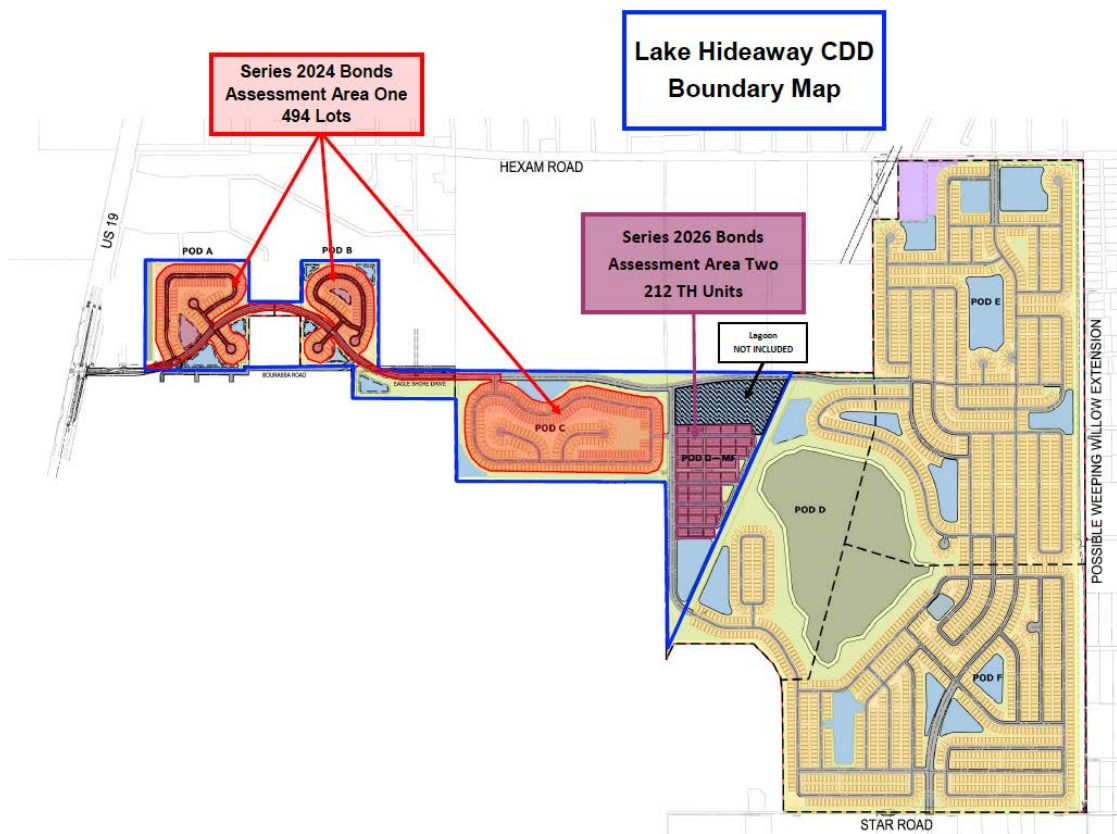
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# LAKE HIDEAWAY

## COMMUNITY DEVELOPMENT DISTRICT

### SECOND SUPPLEMENTAL SPECIAL ASSESSMENT METHODOLOGY REPORT

\$6,570,000 CAPITAL IMPROVEMENT REVENUE BONDS,  
SERIES 2026 (ASSESSMENT AREA TWO)



March 20, 2026

Prepared by  
Kai  
2502 Rocky Point Drive, Suite 1000  
Tampa, Florida 33607



**LAKE HIDEAWAY COMMUNITY DEVELOPMENT DISTRICT  
 SECOND SUPPLEMENTAL SPECIAL ASSESSMENT METHODOLOGY  
 REPORT, CAPITAL IMPROVEMENT REVENUE BONDS,  
 SERIES 2026 (ASSESSMENT AREA TWO)**

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## OVERVIEW

### INTRODUCTION

The Lake Hideaway Community Development District (the “District” or “CDD”) was established by Hernando County Ordinance No. 2021-21, effective on October 28, 2021, as amended by Hernando County Ordinance 2024-16, effective on December 23, 2024. The District currently encompasses approximately 210.63 acres within an unincorporated area of Hernando County.

The District is a local unit of special-purpose government established pursuant to, and existing in accordance with, Chapter 190, Florida Statutes (the “Act”). The undeveloped lands within the District are owned and being developed by Hawk Lake Hideaway, LLC (the “Developer”). To advance the development of the properties within the District, certain capital improvements have been planned (the “CIP”), as described in the Lake Hideaway Community Development District Bond Validation Report of the District Engineer, dated November 16, 2021.

### OBJECTIVE

To provide for the acquisition and/or construction of a portion of the CIP benefitting the lands within Assessment Area Two (hereinafter defined) within the District, Stantec Consulting Services Inc. has prepared the Report of the District Engineer – Capital Improvement Revenue Bonds, Series 2026 (Assessment Area Two) dated March 20, 2026 (“**Engineer’s Report**”). The purpose of this Second Supplemental Special Assessment Methodology Report (“**Second Supplemental AMR**”) is to apply the basis and methodology of benefit and assessment allocation in accordance with the Master Special Assessment Methodology Report (“**Master Report**”) dated November 16, 2021, prepared by DPF Management & Consulting, LLC, in connection with the District’s issuance of its Capital Improvement Revenue Bonds, Series 2026 (Assessment Area Two) (“**Series 2026 Bonds**”). The Series 2026 Bonds are being issued to provide funds to finance a portion of the Cost of acquiring, constructing and equipping assessable improvements (“**Assessment Area Two Project**”) benefitting the 35.49 gross acres within Pod D of the District anticipated to include 212 residential units (“**Assessment Area Two**”). The District will defray a portion of the cost thereof by levying special assessments (“**Series 2026 Assessments**”) on the benefitted property within Assessment Area Two of the District.

Any capitalized term used herein and not otherwise defined shall have the meaning ascribed to such term in the Master Report, and the terms of the Master Report are incorporated herein. Further, to the extent of any inconsistency between this Second Supplemental AMR and the Master Report, this Second Supplemental AMR controls.

## PROJECT FINANCING AND BENEFIT ALLOCATION

Under Chapter 190, Florida Statutes, the District has the authority to issue the Series 2026 Bonds, to construct and/or acquire capital improvements using the proceeds of the Series 2026 Bonds, and to levy debt assessments to secure the repayment of the Series 2026 Bonds. For a special assessment to be valid under Florida law, the special assessment must meet two requirements: (1) the benefit from the project to the lands subject to the Series 2026 Assessments must exceed or equal the amount of the Series 2026 Assessments, and (2) the Series 2026 Assessments must be fairly and reasonably allocated across all such benefitted properties. An assessment methodology may be based on front footage, or any other reasonable allocation method, so long as these requirements are met. As described herein, the Series 2026 Assessments meet both requirements.

Based on the foregoing determination, the total size of the Series 2026 Bonds is **\$6,570,000**. The allocation of the Series 2026 Assessments securing the Series 2026 Bonds is set forth in the table below:

**Table 1. Series 2026 Assessment Allocation Methodology**

LAKE HIDEAWAY COMMUNITY DEVELOPMENT DISTRICT BONDS PAR AND DEBT SERVICE ASSESSMENTS ALLOCATION								
PRODUCT <sup>(3)</sup>	ERU PER UNIT	TOTAL ERUs	% OF ERUs	UNIT COUNT	PRODUCT TYPE		PER UNIT	
					TOTAL PRINCIPAL	TOTAL MADS <sup>(2)</sup>	TOTAL PRINCIPAL	TOTAL MADS <sup>(2)</sup>
TH	0.64	135.68	100.00%	212	\$6,570,000	\$464,606	\$30,991	\$2,192

(1) Allocation of total Bonds principal & assessments initially based on equivalent residential units and then modified per Developer Contribution explained in Table 2. 7 months Capitalized Interest Period.  
 (2) Includes principal & interest and is net of the discounts & fees.  
 (3) Master AMR Lot Product Type included a 0.64 ERU for all TH units

## CONTRIBUTIONS

As set forth in any supplemental report, and for any particular Bond issuance, and subject to an appropriate agreement with the District, the developer may opt to “buy down” the Series 2026 Assessments on particular product types and/or lands using a contribution of cash, infrastructure, work product or land (at appraised value), or other consideration, in order for the Series 2026 Assessments to reach certain target levels.

As noted above, the District will construct and/or acquire a portion of the Assessment Area Two Project with proceeds from the Series 2026 Bonds. The Series 2026 Bonds principal amount has been determined based on an amount sufficient to fund a portion of the cost of the Assessment Area Two Project and reflect the maximum annual assessment levels permitted pursuant to certain builder contracts.



## ASSESSMENT AREA TWO PROJECT AND BENEFITS

The Assessment Area Two Project contains improvements that convey benefit to all assessable lands within Assessment Area Two of the District (the “**Improvements**”). Accordingly, the Series 2026 Assessments imposed in connection with the Improvements will be levied on all planned units in Assessment Area Two.

The Assessment Area Two Project is projected to cost approximately **\$10,055,000**. A summary of the estimated costs of the Assessment Area Two Project, as more particularly described in the Engineer’s Report, is set forth in **Table 2**:

**Table 2. CIP Cost Detail**

LAKE HIDEAWAY COMMUNITY DEVELOPMENT DISTRICT CIP COST ESTIMATE			
TOTAL COST DETAIL - ASSESSMENT AREA TWO PROJECT			
DESCRIPTION	MASTER	SUBDIVISION	TOTAL
District Roads	\$ 896,900	\$ 807,600	\$ 1,704,500
Water Management and Control	677,400	3,781,600	4,459,000
Sanitary Sewer & Wastewater Management	24,600	797,100	821,700
Potable Water Supply	344,500	806,100	1,150,600
Off-Site Improvements	-	-	-
Undergrounding of Electrical Supply	-	318,000	318,000
Landscaping/Irrigation/Hardscaping	420,000	445,200	865,200
Profession Services/Fees/Perf. Bonds	100,000	636,000	736,000
<b>TOTAL</b>	<b>\$ 2,463,400</b>	<b>\$ 7,591,600</b>	<b>\$ 10,055,000</b>

The proposed issuance of the Series 2026 Bonds will fund a portion of the costs associated with the development of Assessment Area Two which is planned for a total of 212 residential units (the “**Lots**”). The Developer will enter into a completion agreement at the time of closing of the Series 2026 Bonds to ensure that the Assessment Area Two Project is completed even if the Series 2026 Bond proceeds are insufficient.

The Assessment Area Two Project provides a special and particular benefit to the developable property within Assessment Area Two of the District. The special and particular benefits include: (a) added use of the property, (b) added enjoyment of the property, (c) decreased insurance premiums, and (d) increased marketability and value of the property. Without the Assessment Area Two Project, development of the lands within Assessment Area Two would not be legally or economically feasible. As outlined in the Engineer’s Report, and shown in **Table 2**, the benefit conveyed upon the lands within Assessment Area Two from the Improvements comprising the

Assessment Area Two Project exceeds or is equal to the cost of the Improvements (please refer to **Appendix 1** for further benefit and Series 2026 Bonds comparison and analysis).

Completion of the Assessment Area Two Project will enhance the properties within Assessment Area Two thereby creating special benefits for said properties. Some examples include enhanced vehicular access, waste management systems, flood prevention and mitigation through a stormwater collection system, recreational facilities, and other basic public infrastructure benefits. The Improvements comprising the Assessment Area Two Project provide benefit to all developable property within Assessment Area Two. The property owners within Assessment Area Two are therefore receiving special benefits not received by those outside the boundaries.

### ASSESSMENT ALLOCATION

The preliminary land use plan for Assessment Area Two includes a total of 212 residential units. Customarily in the land development industry, residential lots are sold and bought in the market in standard lot width categories pursuant to purchase contracts, as opposed to exact lot width measurements of the street front footage or the size of such lot shown on a future plat map (this concept is referred to as the “**Product Type**” herein). The methodology herein allocates Series 2026 Assessments to such residential Product Types based upon the benefit derived from the Assessment Area Two Project and apportioned to Product Types. Accordingly, this Second Supplemental AMR utilizes Assessment Area Two Project costs as a proxy for benefit and allocates the Series 2026 Assessments based on Product Type, as a common measurement.

### TRUE-UP OBLIGATIONS

The Series 2026 Assessments will be initially allocated in accordance with this methodology. All changes in the number of Lots and Lot mix within parcels will be permitted as long as the per acre assessment, as applicable, on the remaining undeveloped property does not exceed the initial level as established herein. This density “true-up” analysis and obligation, depending on whether the revised product mix, consistent with the terms of this assessment allocation methodology, is able to absorb the Series 2026 Assessments that were originally planned to be levied under the development plan outlined at the time of the actual bond issuance for Assessment Area Two, is the “**True-Up Analysis**”.

**Table 3** below sets forth the initial Series 2026 Assessments allocated to the unplatted acreage within Assessment Area Two, including the per acre principal and MADS amounts (the “**Original Debt per Acre Amount**”).

Table 3. Series 2026 Unplatted Lands Bonds Allocation Methodology

LAKE HIDEAWAY COMMUNITY DEVELOPMENT DISTRICT BONDS PAR AND DEBT SERVICE ASSESSMENTS ALLOCATION						
SERIES 2026 UNPLATTED LAND BONDS ALLOCATION METHODOLOGY <sup>(1)</sup>						
PHASES	UNIT	TOTAL ACREAGE	PER PRODUCT MIX		PER ACRE	
			TOTAL PRINCIPAL	TOTAL MADS <sup>(2)</sup>	TOTAL PRINCIPAL	TOTAL MADS <sup>(2)</sup>
Pod D	Acre	35.49	\$6,570,000	\$464,606	\$185,123	\$13,091

(1) Allocation of total bond principal & assessments for the undeveloped / unplatted acreage encumbered by the bond.  
 (2) Includes principal & interest and is net of the discounts & fees.

When the gross acreage lands within Assessment Area Two are platted or re-platted, or site plans are approved or re-approved, the applicable plat or site plan (each referred to herein as the “Proposed Plat”) shall be submitted to the District for a “true-up” review, as follows:

- a. If Proposed Plats of the gross acreage lands within Assessment Area Two are consistent with the number of planned ERUs for such parcels, and the Series 2026 Assessments per acre on the “Remaining Unplatted Lands” (i.e., those remaining unplatted lands after the Proposed Plats are recorded) are equal to the Original Debt per Acre Amount of such parcels after the Proposed Plats, then the District shall allocate the Series 2026 Assessments to the Product Types being platted and the remaining property in accordance with this Second Supplemental AMR, and cause the Series 2026 Assessments to be recorded in the District’s Improvement Lien Book.
- b. If Proposed Plats of the gross acreage lands within Assessment Area Two include more than the number of planned ERUs for such parcels thereby resulting in a decrease in the Series 2026 Assessments per acre on the Remaining Unplatted Lands within Assessment Area Two as compared to the Original Debt per Acre Amount of such parcels after the Proposed Plats, then the District may undertake a pro rata reduction of the Series 2026 Assessments for all assessed properties within Assessment Area Two, or may otherwise address such net decrease as permitted by law.
- c. If Proposed Plats of the gross acreage lands within Assessment Area Two contain fewer than the number of planned ERUs for such parcels thereby resulting in an increase in the Series 2026 Assessments per acre on the Remaining Unplatted Lands within Assessment Area Two as compared to the Original Debt per Acre Amount of such parcels after the Proposed Plats, then the District shall require the respective landowners of the lands encompassed by the Proposed Plats to pay an amount equal to the difference between the Series 2026 Assessments per acre on

the Remaining Unplatted Lands and the Original Debt per Acre Amount (“**True-Up Obligation**”).

In accordance with the True-Up Agreement to be entered into by the Developer and the District at the time of issuance of the Series 2026 Bonds, prior to the time a parcel within Assessment Area Two is platted and developed, or ownership is transferred by the Developer to any other entity or person with a specific number of assessable units allocated thereto, the True-Up Analysis will be conducted in accordance with the assessment methodology set forth herein and in the True-Up Agreement.

All Series 2026 Assessments levied run with the land, and such Series 2026 Assessment liens include any True-Up Obligations. The District will not release any liens on property for which True-Up Obligations are due, until provision for such payment has been satisfactorily made. Further, upon the District’s review of the final plat for the developable acres, any unallocated Series 2026 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 by the District shall be limited solely to the enforcement of the District’s assessment liens and the enforcement of the District’s True-Up Agreement. Nothing herein shall in any way operate to or be construed as providing any other plat approval or disapproval powers to the District. For further detail on the true-up process, please refer to the True-Up Agreement between the District and the Developer and the relevant assessment resolution(s).

#### NEW PRODUCT TYPES

The Developer may decide to re-adjust Product Types within Assessment Area Two to meet market demand. Series 2026 Assessments set forth in **Table 1** have been established based on the anticipated Product Types. However, additional Product Types may be developed, and, in such an event, the District’s Assessment Consultant may determine Series 2026 Assessments for the Product Types in a fair and reasonable manner based on such additional product types, and without a further public hearing or action by the District’s Board of Supervisors.

#### METHOD OF APPOINTMENT OF THE ASSESSMENT

The Series 2026 Assessments will be fairly and reasonably allocated. As of the date of this Second Supplemental AMR, plats of the Lots planned for the Assessment Area Two have not been recorded. At issuance, the Series 2026 Assessments will be allocated to the benefitted lands within Assessment Area Two on a per acre basis. As portions of land are platted within Assessment Area Two, the Series 2026 Assessments will be allocated on a first-platted, first-assessed basis, as described in **Table 1** and based on the Equivalent Residential Unit (“ERU”) factors set forth therein. Any unassigned amount of the Series 2026 Assessments encumbering the Remaining Unplatted Lands within Assessment Area Two will continue to be calculated and levied on an equal assessment per acre basis within Assessment Area Two.

Each fifty-foot Product Type will be assigned an equal 1.0 ERU value. The value of each subsequent ERU definition will be calculated proportionately; therefore, the amount of the Series 2026 Assessments for each platted Lot will be assigned based on Product Type, as set forth in **Table 1**.

As of the date of this Second Supplemental AMR, the Developer has informed the District that it plans to construct 212 Townhome Lots, which represents a total of 135.68 ERUs.

#### ASSESSMENT LEVY AND COLLECTION

Each Fiscal Year, the District will certify for collection the Series 2026 Assessments in connection with the Maximum Annual Debt Service (“**MADS**”), or the debt service requirement. **Table 1** describes the maximum Series 2026 Assessment allocation to the Product Types and the maximum Series 2026 Assessments necessary to support repayment of the Series 2026 Bonds.

1. Prior to recording a subdivision plat map of Assessment Area Two or any portion thereof, the Series 2026 Assessments will be allocated to the property, as described by Folio Number or legal description, based on acreage of such property. **Table 3** describes the maximum Series 2026 Assessment allocation to the unplatted acreage within Assessment Area Two encumbered by the Series 2026 Bonds, and the maximum Series 2026 Assessments necessary to support repayment of the Series 2026 Bonds.
2. Upon recording a subdivision plat of Assessment Area Two or any portion thereof, the Series 2026 Assessments will be levied on individual Lots identified in the plat and based on the ERUs assigned to each Lot of Assessment Area Two.
3. If additional monies are needed to satisfy the debt service requirement after the first two steps have been completed as a result of a plat or re-plat of property, the owner of such property will be obligated to immediately remit to the District the total bond principal amount – as well as any applicable interest, collection costs and any penalties - for the difference between the debt service requirement and the Series 2026 Assessment revenue generated after the first two steps have been completed - i.e., the True-Up Obligation described above.

#### EXEMPTIONS

No Series 2026 Assessments shall be levied on Public Property, Property Owner Association Property, or property which constitutes a “common element” consistent with the provisions of Section 193.0235, Florida Statutes. If at any time, any real property on which Series 2026 Assessments are imposed is sold or otherwise transferred to a unit of local, state, or federal government, or similarly exempt entity, all future unpaid Series 2026 Assessments for such tax parcel shall become due and payable immediately prior to such transfer without any further action of the District.

## PROJECT BOND FINANCING PROGRAM

For purposes of this Second Supplemental AMR, the Series 2026 Bonds principal amount and associated MADS have been sized based on the funding of a portion of the Assessment Area Two Project costs as described in the Engineer’s Report and allowable bond financing costs including debt service reserves and costs of issuance. Detailed financing information is provided in **Table 4**.

**Table 4. Financing Assumptions**

LAKE HIDEAWAY COMMUNITY DEVELOPMENT DISTRICT CDD SPECIAL ASSESSMENT BONDS FINANCING ANALYSIS		
FINANCING ASSUMPTIONS - SERIES 2026		
Coupon Rate <sup>(1)</sup>		5.75%
Term (Years)		30
Principal Amortization Installments		30
<b>ISSUE SIZE</b>		<b>\$6,570,000</b>
General Construction Fund		\$5,548,626
Capitalized Interest (Months)	7	\$220,369
Debt Service Reserve Fund	100%	\$464,606
Underwriter's Discount	2.00%	\$131,400
Cost of Issuance		\$205,000
<b>ANNUAL ASSESSMENT</b>		
Annual Debt Service (Principal plus Interest)		\$464,606
Collection Costs and Discounts <sup>(2)</sup> @	0.00%	\$0
<b>TOTAL ANNUAL ASSESSMENT</b>		<b>\$464,606</b>
<sup>(1)</sup> Average coupon rate.		
<sup>(2)</sup> To be allocated at time of certifying for collection with the County Tax Collector		

Source: FMSbonds (February 23, 2026)

**Table 5** sets forth sources and uses of the Series 2026 Bonds and sets forth the amount necessary to finance a portion of the Assessment Area Two Project costs.

Table 5. Sources and Uses of Funds

LAKE HIDEAWAY COMMUNITY DEVELOPMENT DISTRICT CAPITAL IMPROVEMENT REVENUE BONDS, SERIES 2026 (ASSESSMENT AREA TWO) SOURCES AND USES OF FUNDS		
PRELIMINARY SOURCES AND USES DISTRIBUTION		
SOURCES	TOTAL	% TOTAL
Bond Proceeds:		
Par Amount	\$6,570,000	
<b>TOTAL SOURCES</b>	<b>\$6,570,000</b>	<b>100.00%</b>
USES		
Fund Deposits:		
Debt Service Reserve Fund, 100% MADS	\$464,606	7.07%
Capitalized Interest, 7 Months	\$220,369	3.35%
Delivery Date Expenses:		
Cost of Issuance	\$205,000	3.12%
Underwriter's Discount	\$131,400	2.00%
Other Uses of Funds:		
General Construction Fund	\$5,548,626	84.45%
<b>TOTAL USES</b>	<b>\$6,570,000</b>	<b>100.00%</b>

Source: FMSbonds (February 23, 2026)

#### MANNER OF COLLECTION

The Series 2026 Assessments may be collected in the same manner and at the same time as ordinary *ad valorem* property taxes, or by direct bill. Note that the Series 2026 Assessments securing the Series 2026 Bonds may be made payable in no more than 30 annual installments, excluding any capitalized interest period.

#### THIRD PARTY TRANSFERS

In the event undeveloped Property (a “**Transferred Parcel**”) is sold, the Series 2026 Assessments will be assigned to that Transferred Parcel based on the maximum total number of lots assigned by the landowner to the Transferred Parcel (subject to any true-up considerations if applicable as determined by the District in its sole discretion). The owner of the Transferred Parcel will be responsible for the total Series 2026 Assessments applicable to the Transferred Parcel, regardless

of the total number of lots ultimately actually platted. These total Series 2026 Assessments are fixed to the Transferred Parcel at the time of the sale. If the Transferred Parcel is subsequently sub-divided into smaller parcels, the total Series 2026 Assessments initially allocated to the Transferred Parcel will be re-allocated to the smaller parcels pursuant to the methodology as described herein (i.e., equal assessment per acre until platting, and then first-platted, first-assigned).

## PRELIMINARY ASSESSMENT ROLL AND COLLECTION

The Preliminary Assessment Roll is set forth in **Table 6**. Prior to platting the District intends to directly collect the Series 2026 Assessments on unplatted parcels, and, to the extent permitted by the Indenture and in the District’s discretion, for bulk ownership of platted Lots. For all other platted Lots, the principal and annual debt service assessment levied on each benefitted property will be allocated in accordance with this Second Supplemental AMR and placed on the Hernando County tax roll for collection.

**Table 6. Preliminary Assessment Roll**

LAKE HIDEAWAY COMMUNITY DEVELOPMENT DISTRICT BONDS PAR AND DEBT SERVICE ASSESSMENTS ALLOCATION								
PRELIMINARY ASSESSMENT ROLL								
PHASES	PARCEL	OWNER	UNIT	TOTAL UNITS	MAXIMUM TOTAL DEBT	TOTAL MADS <sup>(1)</sup>	PRINCIPAL PER UNIT	MADS PER UNIT <sup>(1)</sup>
Pod D	See Legal Description	Hawk Lake Hideaway, LLC	Acre	35.49	\$6,570,000	\$464,606	\$185,123	\$13,091

(1) Includes principal & interest and is net of the discounts & fees.

The Preliminary Assessment Roll annotations:

- a) Gross acreage estimates are based on the legal descriptions of Pod D within Assessment Area Two in the District as of the date of this Second Supplemental AMR. Acreage includes lowlands.
- b) Current Owner information is shown as per the Hernando County records.
- c) As described herein, the Series 2026 Assessments will remain levied against unplatted property on an equal acreage basis until the property within Assessment Area Two is platted.

Please refer to **Appendix 2** for the detailed legal descriptions of the lands of Assessment Area Two.

## CONCLUSION

The Series 2026 Bonds are being issued to provide funds for the acquisition and/or construction of a portion of the Assessment Area Two Project. The Series 2026 Assessments securing the Series 2026 Bonds will be levied over all benefited properties within Assessment Area Two on a fair and equitable basis as described herein. The special benefits to properties within Assessment Area Two will exceed the corresponding assessment amounts. Accordingly, this is an appropriate District project that will significantly benefit the properties and enhance the District.

## SPECIAL BENEFIT

The Assessment Area Two Project will provide special benefits to parcels within Assessment Area Two. The parcels will receive special benefits because the Assessment Area Two Project delivers interconnected structural improvements that provide an infrastructure system, which supports and adds to the entire development of the District. The Assessment Area Two Project provides special benefits to parcel owners by addressing fundamental public infrastructure needs and enhancing overall property values.

## ASSESSMENT APPORTIONMENT

The Series 2026 Assessments are fairly and reasonably apportioned over all the benefited properties within Assessment Area Two. The benefits, using Assessment Area Two Project costs as proxy for benefit, are quantified and assigned to parcels based on Product Type.

It is reasonable, proper and just to assess the costs of the Assessment Area Two Project against lands in Assessment Area Two. As a result of the Assessment Area Two Project, properties in Assessment Area Two receive special benefit and an increase in value. Based on the premise that the benefits from the Assessment Area Two Project make the properties useful for residential use, more accessible and valuable, in return it is reasonable for the District to levy the Series 2026 Assessments against benefitted lands within Assessment Area Two. The special benefits conferred will be equal to or greater than the Series 2026 Assessments levied, and such Assessments will not exceed the cost of the Improvements.

## BEST INTEREST

The District provides for delivering the Assessment Area Two Project in a timely, orderly, and efficient manner. It can economically and efficiently provide the amount and quality of services required by the public. The District provides a financing mechanism that (i) enables the Assessment Area Two Project to be funded at a relatively low cost of capital, and (ii) ensures the Assessment Area Two Project is delivered in a timely, self-sustaining (“pay-for-itself”) manner.

## ADDITIONAL STIPULATIONS

KAI CONNECTED, LLC dba KAI was retained by the District to prepare this methodology to fairly allocate the Series 2026 Assessments related to the District's Assessment Area Two Project. Certain financing, development, and engineering data was provided by members of District staff, the District's underwriter, and/or the Developer. The allocation methodology described herein was based on information provided by those professionals. The undersigned makes no representations or warranties regarding such information, other than restating factual data necessary for the preparation of this Second Supplemental AMR. For additional information on the Series 2026 Bonds structure and other related items, please refer to the offering statement associated with the issuance of the Series 2026 Bonds.

KAI CONNECTED, LLC dba KAI does not represent the District as a Municipal Advisor or Securities Broker within the meaning of Section 15B of the Securities and Exchange Act of 1934, as amended. Similarly, KAI CONNECTED, LLC dba KAI does not provide the District with financial advisory services or offer investment advice in any form.

## Appendix 1. Estimated Public Improvement Costs and Benefit Allocation

The Assessment Area Two Project costs and the other uses of bond proceeds are used as proxy for total benefit. As described above, the total benefits will be the completed public infrastructure with estimated costs in the amount of **\$10,055,000** (the “PIC”). The following table allocates the PIC among the assessable property, excluding bond financing costs. Refer to Table 2 and the Engineer’s Report for cost details.

### Appendix 1- Schedule A CIP Costs and Net Benefit Allocation

LAKE HIDEAWAY COMMUNITY DEVELOPMENT DISTRICT ESTIMATED PUBLIC IMPROVEMENT COSTS AND BENEFITS						
PROJECT COSTS AND NET BENEFIT ALLOCATION						
PRODUCT	UNIT	ERU PER	TOTAL	% OF	TOTAL CIP	TOTAL NET
TH	212	0.64	135.68	100.00%	\$10,055,000	\$47,429

### Appendix 1- Schedule B

#### Total Series 2026 Bonds Debt Per Lot compared with Total PIC per Lot

LAKE HIDEAWAY COMMUNITY DEVELOPMENT DISTRICT ESTIMATED PUBLIC IMPROVEMENT COSTS AND BENEFITS			
BONDS PAR AND PIC COMPARISON			
PRODUCT	SERIES 2026 BONDS PER	TOTAL PIC PER UNIT	DEBT OVER/ (UNDER) PIC
TH	\$30,991	\$47,429	(\$16,439)

## Appendix 2. Assessment Area Two Boundary Legal Description

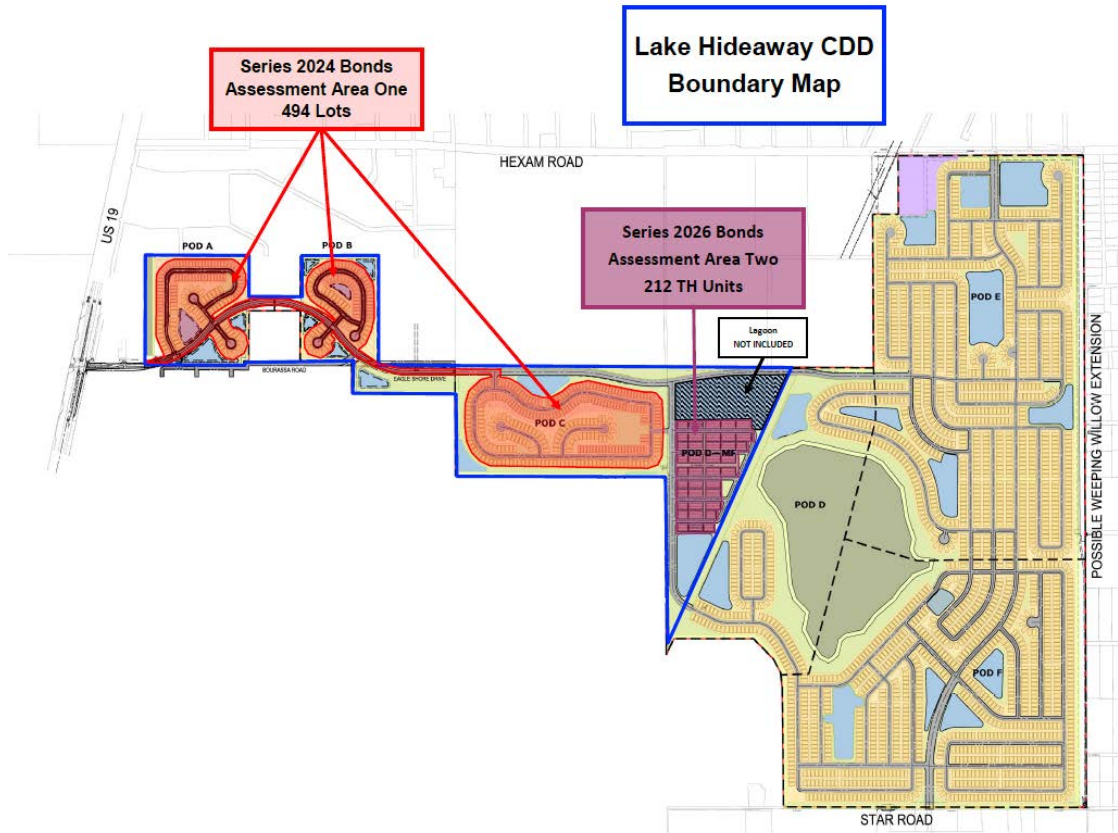
### LEGAL DESCRIPTION FOR LAKE HIDEAWAY POD D

A PARCEL OF LAND LYING IN AND BEING A PART OF SECTION 17, TOWNSHIP 22 SOUTH, RANGE 18 EAST, HERNANDO COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4 OF SAID SECTION 17, AND THE NORTHEAST CORNER OF WOODLAND WATERS, PHASE-4 AS RECORDED IN PLAT BOOK 32, PAGES 36 THROUGH 37 OF THE PUBLIC RECORDS OF HERNANDO COUNTY, FLORIDA; THENCE S89°42'01"E, 130.11 FEET TO THE EAST RIGHT-OF-WAY LINE OF TROPICAL AIR ROAD; THENCE ALONG SAID EAST RIGHT-OF-WAY LINE, RUN N00°28'43"W, 96.20 FEET TO A POINT OF CURVATURE TO THE LEFT, SAID CURVE BEING CONCAVE TO THE WEST, HAVING A RADIUS OF 1540.00 FEET, A CENTRAL ANGLE OF 03°37'09", AND A CHORD BEARING AND DISTANCE OF N02°09'30"W, 97.26 FEET; THENCE ALONG THE ARC OF SAID CURVE 97.28 FEET; THENCE N03°58'05"W, 222.06 FEET TO A POINT OF CURVATURE TO THE RIGHT, SAID CURVE BEING CONCAVE TO THE EAST, HAVING A RADIUS OF 1460.00 FEET, A CENTRAL ANGLE OF 03°37'09", AND A CHORD BEARING AND DISTANCE OF N02°09'30"W, 92.21 FEET; THENCE ALONG THE ARC OF SAID CURVE 92.22 FEET; THENCE N00°20'56"W, 64.83 FEET; THENCE LEAVING SAID EAST RIGHT-OF-WAY LINE, RUN N90°00'00"E, 1131.96 FEET TO THE WEST RIGHT-OF-WAY LINE OF A 100 FOOT WIDE FLORIDA POWER EASEMENT; THENCE ALONG SAID WEST RIGHT-OF-WAY LINE, RUN S25°14'16"W, 2874.35 FEET TO THE WEST LINE OF SAID SECTION 17, AND THE EAST LINE OF WOODLAND WATERS, PHASE-1, AS RECORDED IN PLAT BOOK 24, PAGES 8 THROUGH 11 OF THE PUBLIC RECORDS OF HERNANDO COUNTY, FLORIDA; THENCE ALONG THE WEST LINE OF SAID SECTION 17, AND THE EAST LINE OF WOODLAND WATERS, PHASE-1, RUN N00°23'38"W, 693.57 FEET TO THE SOUTHWEST CORNER OF THE NORTHWEST 1/4 OF SAID SECTION 17, AND THE SOUTHEAST CORNER OF WOODLAND WATERS, PHASE-4, AS RECORDED IN PLAT BOOK 32, PAGES 36 THROUGH 37 OF THE PUBLIC RECORDS OF HERNANDO COUNTY, FLORIDA; THENCE CONTINUE ALONG THE WEST LINE OF SAID SECTION 17, AND THE EAST LINE OF WOODLAND WATERS, PHASE-4, N00°20'26"W, 1335.25 FEET TO THE POINT OF BEGINNING.

CONTAINING 35.49 ACRES MORE OR LESS.

### Appendix 3. Bond Map and Site Plan of Assessment Area Two



**APPENDIX C**

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

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**MASTER TRUST INDENTURE**  
  
**BETWEEN**  
  
**LAKE HIDEAWAY COMMUNITY DEVELOPMENT DISTRICT**  
  
**AND**  
  
**U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,**  
**AS TRUSTEE**  
  
**Dated as of April 1, 2024**


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EXHIBIT A – FORM OF REQUISITION

NOW, THEREFORE, THIS MASTER TRUST INDENTURE  
WITNESSETH:

GRANTING CLAUSES

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

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

IN TRUST NEVERTHELESS, upon the terms and trusts herein set forth (a) for the equal and proportionate benefit and security of all present and future Owners of the Bonds of a Series, without preference of any Bond of such Series over any other Bond of such Series, (b) for enforcement of the payment of the Bonds of a Series, in accordance with their terms and the terms of this Master Indenture and the Supplemental Indenture authorizing the issuance of such Series of Bonds, and

MASTER TRUST INDENTURE

THIS MASTER TRUST INDENTURE is dated as of April 1, 2024, between LAKE HIDEAWAY COMMUNITY DEVELOPMENT DISTRICT, a local unit of special-purpose government organized and existing under the laws of the State of Florida (the "District"), and U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, as trustee (the "Trustee"), a national banking association and having the authority to exercise corporate trust powers, with its designated corporate trust office located at 225 East Robinson Street, Suite 250, Orlando, Florida 32801, Attention: Corporate Trust Department.

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

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

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

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

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

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

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

ARTICLE I  
DEFINITIONS

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

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

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

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

"Accreted Value" shall mean, as of the date of computation with respect to any Capital Appreciation Bonds, an amount (truncated to three (3) decimal places)

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

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

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

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

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

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

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of the Trustee or the Paying Agent are located are authorized or required by law or other governmental action to close and on which the Trustee or Paying Agent, or both, is closed.

**"Capital Appreciation Bonds"** shall mean Bonds issued under this Master Indenture and any Supplemental Indenture as to which interest is compounded periodically on each of the applicable periodic dates designated for compounding and payable in an amount equal to the then-current Accreted Value only at the maturity or earlier redemption thereof, all as so designated in a Supplemental Indenture of the District providing for the issuance thereof.

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

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

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

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

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

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

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

**"Cost" or "Costs"** as applied to a Series Project, shall include the cost of acquisition and construction thereof and all obligations and expenses relating

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and which are referred to as such and pledged to a Series of Bonds pursuant to the Supplemental Indenture authorizing the issuance of such Series of Bonds.

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

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

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

**"Benefit Special Assessments"** shall mean benefit special assessments levied and collected in accordance with Section 190.021(2) of the Act, together with any and all amounts received by the District from the sale of tax certificates or otherwise from the collection of Benefit Special Assessments which are not paid in full when due and which are referred to as such and pledged to a Series of Bonds pursuant to the Supplemental Indenture authorizing the issuance of such Series of Bonds.

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

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

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

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

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

**"Business Day"** shall mean any day excluding Saturday, Sunday or any other day on which banks in the cities in which the designated corporate trust office

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thereto including, but not limited to, those items of cost which are set forth in Section 403 hereof.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(a) Government Obligations;

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

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

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

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

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

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

**"Operation and Maintenance Assessments"** shall mean assessments described in Section 190.021(3) or 190.022(1) of the Act, for the maintenance of District facilities or the operations of the District.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**"Record Date"** shall mean the fifteenth (15th) day of the calendar month next preceding any Debt Service payment date or, in the case of any proposed redemption of Bonds, the fifth (5th) day next preceding the date of mailing of notice

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

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

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

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

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

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

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

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

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

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

**"Series Project"** or **"Series Projects"** shall mean the acquisition, construction, equipping and/or improvement of capital projects to be located within

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of such redemption, or if either of the foregoing days is not a Business Day, then the Business Day immediately preceding such day.

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

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

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

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

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

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

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

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

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

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or without the District for the benefit of the District to be financed with all or a part of the proceeds of a Series of Bonds as shall be described in the Supplemental Indenture authorizing such Series of Bonds.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**"Time Deposits"** shall mean time deposits, certificates of deposit or similar arrangements with any bank or trust company, including the Trustee or an affiliate thereof, which is a member of the Federal Deposit Insurance Corporation and any

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from time to time, Additional Bonds, Completion Bonds and Refunding Bonds of a Series under and pursuant to the terms of the Supplemental Indenture authorizing the issuance of such Series of Bonds.

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

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

**Section 203. Execution and Form of Bonds.** The Bonds shall be signed by or bear the facsimile signature of the Chairman, shall be attested and countersigned by the Secretary, and the certificate of authentication appearing on

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federal or State savings and loan association which is a member of the Federal Deposit Insurance Corporation or its successors and which are secured or insured in the manner required by State law.

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

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

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

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

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

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

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

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the face of the Bonds shall be signed by the Trustee; provided, however, that each Bond shall be manually signed by either the Chairman, the Secretary or the Trustee. The official seal of the District shall be imprinted or impressed on each Bond. In case any officer whose signature or a facsimile of whose signature appears on any Bond shall cease to be such officer before the delivery of such Bond, such signature or such facsimile shall nevertheless be valid for all purposes the same as if he or she had remained in office until such delivery. Any Bond may bear the facsimile signature of, or may be signed by, such persons as at the actual time of the execution of such Bond shall be proper officers to execute such Bond although at the date of such Bond such persons may not have been such officers. The Bonds, and the provisions for registration and reconversion to be endorsed on such Bonds, shall be substantially in the form set forth in a Supplemental Indenture. The Trustee may appoint one or more authenticating agents.

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

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

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**Section 206. Special Obligations.** Each Series of Bonds shall be a special and direct obligation of the District. Neither the Bonds nor the interest and premium, if any, payable thereon shall constitute a general obligation or general indebtedness of the District within the meaning of the Constitution and laws of the State. The Bonds and the interest and premium, if any, payable thereon do not constitute either a pledge of the full faith and credit of the District or a lien upon any property of the District other than as provided herein or in the Supplemental Indenture authorizing the issuance of such Series of Bonds. No Owner or any other person shall ever have the right to compel the exercise of any ad valorem taxing power of the District or any other public authority or governmental body to pay Debt Service or to pay any other amounts required to be paid pursuant to this Master Indenture, any Supplemental Indenture, or the Bonds. Rather, Debt Service and any other amounts required to be paid pursuant to this Master Indenture, any Supplemental Indenture, or the Bonds, shall be payable solely from, and shall be secured solely by, the Series Pledged Revenues and the Series Pledged Funds pledged to such Series of Bonds, all as provided herein and in such Supplemental Indenture.

**Section 207. Authorization of Bonds.**

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

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

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

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

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

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

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

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

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

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

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

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

Installments, if any, for the Term Bonds of such Series, awarding the Series of Bonds, specifying the interest rates or the method for calculating such interest rates with respect to such Series of Bonds, specifying the redemption provisions and prices thereupon, specifying other details of such Series of Bonds, and directing the delivery of such Series of Bonds to or upon the order of the initial purchaser thereof upon payment of the purchase price therefor set forth in such Supplemental Indenture;

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

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

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

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

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

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

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

**ARTICLE III  
REDEMPTION OF BONDS**

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

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

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Denomination and, in selecting the Bonds of such Series to be redeemed, the Bond Registrar shall treat each such Bond as representing that number of Bonds of such Series which is obtained by dividing the principal amount of such Bond by an Authorized Denomination (such amount being hereinafter referred to as the "unit of principal amount").

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

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

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

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thereof, except to receive payment of the Redemption Price thereof, and interest, if any, accrued thereon to the redemption date, and such Bonds shall no longer be deemed to be Outstanding.

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

#### ARTICLE IV ACQUISITION AND CONSTRUCTION FUND

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

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

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

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

(b) **Accrued and Capitalized Interest.** Any interest accruing on the Bonds from their date through the first Interest Payment Date received from the

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Owner who has not submitted his Bond to the Paying Agent for payment on or before the date sixty (60) days following the date fixed for redemption of such Bond, in each case stating: (a) the numbers of the Bonds to be redeemed, by giving the individual certificate number of each Bond to be redeemed (or stating that all Bonds between two stated certificate numbers, both inclusive, are to be redeemed or that all of the Bonds of one or more maturities have been called for redemption); (b) the CUSIP numbers of all Bonds being redeemed; (c) in the case of a partial redemption of Bonds, the principal amount of each Bond being redeemed; (d) the date of issue of each Bond as originally issued and the complete official name of the Bonds including the Series designation; (e) the rate or rates of interest borne by each Bond being redeemed; (f) the maturity date of each Bond being redeemed; (g) the place or places where amounts due upon such redemption will be payable; and (h) the notice date, redemption date, and Redemption Price. The notice shall require that such Bonds be surrendered at the designated corporate trust office of the Paying Agent for redemption at the Redemption Price and shall state that further interest on such Bonds will not accrue from and after the redemption date; provided, however, that such presentation shall not be required while such Bonds are registered in book-entry only format. CUSIP number identification with appropriate dollar amounts for each CUSIP number also shall accompany all redemption payments.

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

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

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

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

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

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

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

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

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

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

(iv) Costs of improvements.

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

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

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

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for each such Series of Bonds issued hereunder;

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

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

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

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

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

- (i) the amount set forth in the Supplemental Indenture relating to such Series of Bonds;
- (ii) subject to Section 806 hereof, payments made to the District from the sale, lease or other disposition of the Series Project or any portion thereof;
- (iii) the balance of insurance proceeds with respect to the loss or destruction of the Series Project or any portion thereof;
- (iv) amounts received from a governmental entity pursuant to an interlocal agreement or other similar agreement between the District and such governmental entity providing for the payment by such governmental entity of a portion of the Costs of a Series Project;
- (v) amounts received from impact fee credits and/or utility connection fee credits; and
- (vi) such other amounts as may be provided in a Supplemental Indenture.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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**Section 505. Debt Service Fund.**

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

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

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

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

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

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

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

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

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

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

**Section 506. Optional Redemption.**

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

(b) **Purchase of Bonds of a Series.** The District may purchase Bonds of a Series then Outstanding at any time, whether or not such Bonds shall then be subject to redemption, at the most advantageous price obtainable with reasonable

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

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

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

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

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

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The Trustee may pay the principal portion of the purchase price of Term Bonds having maturities different from or in amounts greater than set forth in the preceding sentence from amounts on deposit in the related Series Sinking Fund Account and the Trustee may transfer moneys from the related Series Revenue Account to the related Series Sinking Fund Account for such purpose, but only upon delivery of written instructions from an Authorized Officer to the Trustee accompanied by a certificate of an Authorized Officer: (X) stating that sufficient moneys are on deposit in the Series Sinking Fund Account, after giving effect to any transfers from the related Series Revenue Account, to pay the principal portion of the purchase price of such Term Bonds; (Y) setting forth the amounts and maturities of Term Bonds of such Series which are to be redeemed from such amounts and the Amortization Installments against which the principal amount of such purchases are to be credited; and (Z) containing cash flows which demonstrate that, after giving effect to the purchase of Term Bonds in the amounts and having the maturities and with the credits against Amortization Installments set forth in clause (Y) above and any transfers from the related Series Revenue Account, the Pledged Revenues to be received by the District in the current and in each succeeding Bond Year will be sufficient to pay the principal, Maturity Amount and Amortization Installments of and interest on all Bonds of such Series. If any Bonds are purchased pursuant to this subsection (b), the principal amount of the Bonds so purchased shall be credited as follows:

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

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

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

#### Section 507. Rebate Fund.

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

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

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

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

(d) **Valuation.** In computing the value of the assets of any Fund or Account, investments and earnings thereon shall be deemed a part thereof. The Trustee shall value the assets in each of the Funds and Accounts established hereunder as of September 30 of each Fiscal Year, and as soon as practicable after each such valuation date (but not later than ten (10) days after each such valuation date) shall provide the District a report of the status of each Fund and Account as of the valuation date. For the purpose of determining the amount on deposit to the credit of any Fund or Account established hereunder, with the exception of a Series Reserve Account, obligations in which money in such Fund or Account shall have been invested shall be valued at the market value or the amortized cost thereof, whichever is lower, or at the Redemption Price thereof, to the extent that any such obligation is then redeemable at the option of the holder. For the purpose of determining the amount on deposit to the credit of a Series Reserve Account, obligations in which money in such Account shall have been invested shall be valued at par, if purchased at par, or at amortized cost, if purchased at other than par, plus, in each case, accrued interest. Amortized cost, when used with respect to an obligation purchased at a premium above or a discount below par, means the

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

#### ARTICLE VI CONCERNING THE TRUSTEE

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Section 613. Appointment of Successor Trustee.** If the Trustee or any successor Trustee resigns or is removed or dissolved, or if its property or business is taken under the control of any state or federal court or administrative body, a vacancy shall forthwith exist in the office of the Trustee, and the District shall appoint a successor and shall mail notice of such appointment, including the name and address of the applicable corporate trust office of the successor Trustee, by first-class mail to each Owner as its name and address appears on the Bond Register, and to the Paying Agent, Bond Registrar, any Credit Facility issuer and any Liquidity Facility issuer; provided, however, that the District shall not appoint a successor Trustee if an Event of Default has occurred and is continuing, unless the

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

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

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

**Section 616. Merger of Trustee.** Any corporation, entity or purchaser into which any Trustee hereunder may be merged or with which it may be consolidated or into which all or substantially all of its corporate trust assets shall be sold or its operations conveyed, or any corporation, entity or purchaser resulting from any merger, consolidation or sale to which any Trustee hereunder shall be a party, shall be the successor Trustee under this Master Indenture, without the execution or filing of any paper or any further act on the part of the parties thereto, anything herein to the contrary notwithstanding; provided, however, that any such

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

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

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

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

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

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

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

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

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

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

## ARTICLE VII FUNDS CONSTITUTE TRUST FUNDS

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

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

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

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

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

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

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

#### ARTICLE VIII COVENANTS AND AGREEMENTS OF THE DISTRICT

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Section 812. Delinquent Assessments.** If the owner of any lot or parcel of land shall be delinquent in the payment of any Assessment or Benefit Special Assessment, pledged to a Series of Bonds, then such Assessment or Benefit Special Assessment shall be enforced in accordance with the provisions of Chapters 170 and/or 197, Florida Statutes, including but not limited to the sale of tax certificates and tax deeds as regards such Delinquent Assessment. In the event the provisions of Chapter 197, Florida Statutes, are inapplicable or unavailable, or in the event that an Assessment or Benefit Special Assessment was directly collected by the District, as permitted by a Supplemental Indenture, then upon the delinquency of any such Assessment or Benefit Special Assessment, the District either on its own behalf, or through the actions of the Trustee may, and shall, if so directed in writing by the Majority Owners of the Bonds of such Series then Outstanding, declare the entire unpaid balance of such Assessment or Benefit Special Assessment, to be in default and, at its own expense, cause such delinquent property to be foreclosed in the same method now or hereafter provided by law for the foreclosure of mortgages on real estate, or pursuant to the provisions of Chapters 170 and 173, and Section 190.026, Florida Statutes, or otherwise as provided by law. The District further covenants to furnish, at its expense, to any Owner of Bonds of the related Series so

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requesting, sixty (60) days after the due date of each annual installment, a list of all Delinquent Assessments together with a copy of the District's annual audit (if available), and a list of foreclosure actions currently in progress and the current status of such Delinquent Assessments.

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

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

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

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

#### ARTICLE IX EVENTS OF DEFAULT AND REMEDIES

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

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

(a) Any payment of Debt Service on such Series of Bonds is not made when due;

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signed by the Trustee or the Majority Owners of the Bonds of such Series then Outstanding.

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

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

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

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

The District shall not enter into any contract or take any action by which the rights of the Trustee or the Owners may be impaired and shall, from time to time, execute and deliver such further instruments and take such further action as may be required to carry out the purposes of this Master Indenture and any Supplemental Indenture. For so long as any Bonds are Outstanding hereunder, unless otherwise provided by the Act, the District shall maintain its corporate

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(b) The District shall for any reason be rendered incapable of fulfilling its obligations hereunder or under the Supplemental Indenture relating to such Series of Bonds;

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

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

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

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

(g) Any portion of the Assessments or Benefit Special Assessments pledged to a Series of Bonds shall have become Delinquent Assessments and, as the result thereof, the Trustee has withdrawn funds in an amount greater than ten percent (10%) of the amount on deposit in a Series Reserve Account to pay Debt Service on the corresponding Series of Bonds and such amount has not been restored within thirty (30) days of such withdrawal;

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

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

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

**Section 904. Enforcement of Remedies.** Upon the happening and continuance of any Event of Default specified in Section 902 above with respect to a Series of Bonds, the Trustee may protect and enforce the rights of the Owners of the Bonds of such Series under State law, and under this Master Indenture, the related

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

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

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

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

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

THIRD: to the payment to the persons entitled thereto of the unpaid principal of any of the Bonds of such Series which shall have become due (other than Bonds of such Series called for redemption for the payment of which sufficient moneys are held pursuant to this Master Indenture), in the

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Supplemental Indenture and the Bonds of such Series, by such proceedings in equity or at law, either for the specific performance of any covenant or agreement contained herein or in aid or execution of any power herein or in the related Supplemental Indenture granted or for the enforcement of any proper legal or equitable remedy, as the Trustee shall deem most effectual to protect and enforce such rights.

The Majority Owners of the Bonds of such Series then Outstanding shall, subject to the requirements of Section 607, have the right, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting all remedial proceedings by the Trustee hereunder, provided that such directions shall not be in conflict with any rule of law or this Master Indenture and that the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would be unduly prejudicial to the rights of the Owners of such Series of Bonds not parties to such direction or would subject the Trustee to personal liability or expense. Notwithstanding the foregoing, the Trustee shall have the right to select and retain legal counsel of its choosing to represent it in any such proceedings. The Trustee may take any other action which is not inconsistent with any direction under this second paragraph of this Section 904.

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

The District covenants and agrees that upon the occurrence and continuance of an Event of Default, it will take such actions to enforce the remedial provisions of the Indenture, the provisions for the collection of Delinquent Assessments, including delinquent Direct Billed Operation and Maintenance Assessments, the provisions for the foreclosure of liens of Delinquent Assessments, including

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order of their due dates, with interest upon the Bonds of such Series at the rates specified therein from the dates upon which they become due to their payment date, and, if the amount available shall not be sufficient to pay in full the principal of Bonds of such Series due on any particular date, together with such interest, then to the payment first of such interest, ratably according to the amount of such interest due on such date, and then to the payment of such principal, ratably according to the amount of such principal due on such date, to the Owners of the Bonds of such Series entitled thereto without any discrimination or preference except as to any difference in the foregoing rates of interest.

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

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

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

Whenever moneys are to be applied pursuant to this Section 905, such moneys shall be applied by the Trustee at such times as the Trustee in its sole discretion shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application. The deposit of such moneys with the Paying Agent shall constitute proper application by the Trustee, and the Trustee shall incur no liability whatsoever to any Owner or to any other person for any delay in applying any such funds, so long as the Trustee acts with reasonable diligence, having due regard to the circumstances, and ultimately applies such moneys in accordance with such

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provisions of this Master Indenture as may be applicable at the time of application. Whenever the Trustee shall exercise such discretion in applying such funds, it shall fix the date upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such date shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the fixing of any such date and shall not be required to make payment to any Owner until such Bond shall be surrendered to him for appropriate endorsement.

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

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

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

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

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

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

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Trustee within sixty (60) days following delivery to the Trustee of a written request for consent);

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

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

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

(v) the District shall not challenge the validity or amount of any claim submitted in good faith by the Trustee in such Proceeding or any valuations of the lands owned by any Insolvent Taxpayer submitted in good faith by the Trustee in such Proceeding or take any other action in such Proceeding, which is adverse to the Trustee's enforcement of the District's claim and rights with respect to the Assessments relating to the Bonds of a

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constitutes an Event of Default hereunder or under the Supplemental Indenture with respect to such other Series of Bonds.

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

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

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

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

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

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Series then Outstanding or receipt of adequate protection (as that term is defined in the Bankruptcy Code). Without limiting the generality of the foregoing, the District agrees that the Trustee shall have the right to (A) file a proof of claim with respect to the Assessments pledged to the Bonds of a Series then Outstanding, (B) deliver to the District a copy thereof, together with evidence of the filing with the appropriate court or other authority, and (C) defend any objection filed to said proof of claim.

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

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

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

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

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

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

## ARTICLE XI SUPPLEMENTAL INDENTURES

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

- (a) to provide for the initial issuance of a Series of Bonds or Refunding Bonds; or
- (b) to make any change whatsoever to the terms and provisions of this Master Indenture, but only as such change relates to a Series of Bonds upon the original issuance thereof (or upon the original issuance of Refunding Bonds which defease and discharge the Supplemental Indenture of the Series of Bonds to be refunded) under and pursuant to the terms of the Supplemental Indenture effecting such change; or
- (c) to cure any ambiguity or formal defect or omission or to correct any inconsistent provisions in this Master Indenture; or
- (d) to grant to the Owners or to the Trustee on behalf of the Owners any additional rights or security that may lawfully be granted; or
- (e) to add to the covenants and agreements of the District in this Master Indenture other covenants and agreements thereafter to be observed by the District to the benefit of the Owners of the Bonds then Outstanding; or
- (f) to make such changes as may be necessary in order to reflect amendments to Chapters 170, 190, 197 and 298, Florida Statutes, or any other Florida Statutes, so long as, in the opinion of counsel to the District, such changes either: (i) do not have a material adverse effect on the Owners of each Series of Bonds to which such changes relate; or (ii) if such changes do have a material

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- (ii) a reduction in the principal, premium, or interest on any Bond of such Series;
  - (iii) a preference or priority of any Bond of such Series over any other Bond of such Series; or
  - (iv) a reduction in the aggregate principal amount of the Bonds of such Series required for consent to such indenture supplemental to the Supplemental Indenture.
- (c) If at any time the District shall determine that it is desirable to approve any Supplemental Indenture pursuant to this Section 1102, the District shall cause the Trustee to mail, at the expense of the District, notice of the proposed approval to the Owners whose approval is required. Such notice shall be prepared by the District and shall briefly set forth the nature of the proposed Supplemental Indenture or indenture supplemental to a Supplemental Indenture and shall state that copies thereof are on file with the Secretary for inspection by all affected Owners. The District shall not, however, be subject to any liability to any Owner by reason of its failure to cause the notice required by this Section 1102 to be mailed and any such failure shall not affect the validity of such Supplemental Indenture or indenture supplemental to a Supplemental Indenture when consented to and approved as provided in this Section 1102.
- (d) Whenever, at any time within one (1) year after the date of the first mailing of such notice, there shall be delivered to the District an instrument or instruments in writing purporting to be executed by the Owners of the requisite principal amount of the Bonds of such Series then Outstanding, which instrument or instruments shall refer to the proposed Supplemental Indenture or indenture supplemental to a Supplemental Indenture described in such notice and shall specifically consent to and approve the execution thereof in substantially the form of the copy thereof referred to in such notice, thereupon, but not otherwise, the Governing Body and the Trustee may approve such Supplemental Indenture and cause it to be executed, in substantially such form, without liability or responsibility to any Owner.

**Section 1103. Opinion of Bond Counsel With Respect to Supplemental Indenture.** In addition to the other requirements herein set forth with respect to Supplemental Indentures or indentures supplemental to a Supplemental Indenture, no such indenture shall be effective unless and until there shall have been delivered to the Trustee, at the expense of the District, an opinion of Bond Counsel to the effect that such indenture is permitted pursuant to this Master Indenture and that such indenture is the valid and binding obligation of the District enforceable in accordance with its terms, except as the enforceability thereof may be limited by bankruptcy, insolvency or general equitable principles, upon which opinion the Trustee may conclusively rely. In addition, if such

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adverse effect, that they nevertheless are required to be made as a result of such amendments; or

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

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

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

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

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

- (i) an extension of the maturity of, or an extension of the Interest Payment Date on, any Bond of such Series;

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indenture relates to a Series of Tax-Exempt Bonds, such opinion shall also state that such indenture will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the related Series of Bonds.

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

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

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

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

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

- (i) a change in the terms of redemption or maturity of any Bonds of a Series then Outstanding or of any installment of interest thereon; or

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

**ARTICLE XII  
DEFESANCE**

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

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

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Exempt Bonds, such defeasance will not adversely affect the tax-exempt status of such Series of Bonds.

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

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

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

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

(d) As to any Variable Rate Bonds, whether discharged and satisfied under the provisions of subsection (a) or (b) above, the amount required for the interest thereon shall be calculated at the maximum rate permitted by the terms of the provisions which authorized the issuance of such Variable Rate Bonds; provided, however, that if on any date, as a result of such Variable Rate Bonds having borne interest at less than such maximum rate for any period, the total amount of moneys and Investment Obligations on deposit for the payment of interest on such Variable Rate Bonds is in excess of the total amount which would have been required to be deposited on such date in respect of such Variable Rate Bonds in order to fully discharge and satisfy such Bonds and obligations under any

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accordance with the provisions of this Section 1201 cease to be entitled to the lien, benefit or security under this Master Indenture, except to the extent that the lien, benefit and security of this Master Indenture and the obligations of the District hereunder shall be limited solely to and such Bonds shall be secured solely by and be payable solely from the moneys or Federal Securities so deposited.

(b) Bonds or interest installments for the payment or redemption of which moneys shall have been set aside and shall be held in trust by the Trustee (through deposit pursuant to this Master Indenture of funds for such payment or redemption or otherwise) at the maturity or redemption date thereof shall be deemed to have been paid within the meaning and with the effect expressed in this Section 1201. All Bonds of any particular maturity or Series then Outstanding shall, prior to the maturity or redemption date thereof, be deemed to have been paid within the meaning and with the effect expressed in subsection (a) of this Section 1201 if:

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

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

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

(iv) an opinion of Bond Counsel to the effect that such defeasance is permitted under this Master Indenture and the Supplemental Indenture relating to the Series of Bonds so defeased and that, in the case of Tax-

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Letter of Credit Agreement and any Liquidity Agreement pursuant to the provisions of this Section 1201, the District may use the amount of such excess free and clear of any trust, lien, security interest, pledge or assignment securing said Variable Rate Bonds or otherwise existing under this Master Indenture, any Letter of Credit Agreement or any Liquidity Agreement.

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

(f) Anything in this Master Indenture to the contrary notwithstanding, any moneys held by the Trustee or any Paying Agent in trust for the payment and discharge of any of the Bonds which remain unclaimed for two (2) years after the date when such Bonds have become due and payable, either at their stated maturity dates or by call for earlier redemption, if such moneys were held by the Trustee or any Paying Agent at such date, or for two (2) years after the date of deposit of such moneys if deposited with the Trustee or Paying Agent after the date when such Bonds became due and payable, shall at the written request of the District be repaid by the Trustee or Paying Agent to the District, as its absolute property and free from trust, and the Trustee or Paying Agent shall thereupon be released and discharged with respect thereto and the Owners shall look only to the District for the payment of such Bonds; provided, however, that before being required to make any such payment to the District, the Trustee or Paying Agent shall, at the expense of the District, cause to be mailed, postage prepaid, to any Insurer or any issuer of any Credit Facility or Liquidity Facility, and to each registered Owner of Bonds then Outstanding at the address, if any, appearing upon the registration books of

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the District, a notice that such moneys remain unclaimed and that, after a date named in such notice, which date shall be not less than thirty (30) days after the date of the mailing of such notice, the balance of such moneys then unclaimed shall be returned to the District.

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

(h) Anything in this Master Indenture to the contrary notwithstanding, the provisions of the foregoing subsections (b) through (g) shall apply to the discharge of Bonds of a Series and to the discharge of the lien of any Supplemental Indenture securing such Series of Bonds as though each reference to the "Master Indenture" were a reference to such "Supplemental Indenture" and as though each reference to "Bonds then Outstanding" were a reference to the "Bonds of such Series then Outstanding."

**Section 1202. Moneys Held in Trust.** All moneys and obligations held by an escrow or paying agent or trustee pursuant to this Section 1202 shall be held in trust and the principal and interest of said obligations when received, and said moneys, shall be applied to the payment, when due, of the principal, interest and premium, if any, of the Bonds to be paid or to be called for redemption.

**ARTICLE XIII  
MISCELLANEOUS PROVISIONS**

**Section 1301. Effect of Covenant.** All covenants, stipulations, obligations and agreements of the District contained in this Master Indenture shall be deemed to be covenants, stipulations, obligations and agreements of the District and of the Governing Body of the District to the full extent authorized or permitted by law and all such covenants, stipulations, obligations and agreements shall bind or inure to the benefit of the successor or successors thereof from time to time and any officer, board, body or commission to whom or to which any power or duty affecting such covenants, stipulations, obligations and agreements shall be transferred by or in accordance with law.

Except as otherwise provided herein, all rights, powers and privileges conferred, and duties and liabilities imposed, upon the District or the Governing Body, by this Master Indenture shall be exercised or performed by the Governing Body, or by such other officers, board, body or commission as may be required by law to exercise such powers or to perform such duties.

merged or consolidated, or in the event of a vacancy in any such office by reason of death, resignation, removal from office or otherwise, or in the event any such officer shall become incapable of performing the duties of his office by reason of sickness, absence from the District or otherwise, all powers conferred and all obligations and duties imposed upon such officer shall be performed by the officer succeeding to the principal functions thereof or by the officer upon whom such powers, obligations and duties shall be imposed by law.

**Section 1305. Inconsistent Provisions.** All provisions of any resolutions, and parts thereof, which are inconsistent with any of the provisions of this Master Indenture are hereby declared to be inapplicable to this Master Indenture.

**Section 1306. Further Acts; Counterparts.** The officers and agents of the District are hereby authorized and directed to do all acts and things required of them by the Bonds and this Master Indenture, for the full, punctual and complete performance of all of the terms, covenants, provisions and agreements contained in the Bonds and this Master Indenture.

This Master Indenture and any Supplemental Indenture may be executed in duplicate counterparts each of which shall constitute one and the same agreement.

**Section 1307. Headings Not Part of Indenture.** Any headings preceding the texts of the several Articles and Sections hereof and any table of contents, marginal notes or footnotes appended to copies hereof shall be solely for convenience of reference and shall not constitute a part of this Master Indenture, nor shall they affect its meaning, construction or effect.

**Section 1308. Effect of Partial Invalidity.** In case any one or more of the provisions of this Master Indenture or of any Bonds shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Master Indenture or of the Bonds, but this Master Indenture and the Bonds shall be construed and enforced as if such illegal or invalid provision had not been contained therein. The Bonds are issued and this Master Indenture is adopted with the intent that the laws of the State shall govern their construction.

**Section 1309. Attorneys' Fees.** Any reference herein to the term "attorneys' fees," "counsel fees" or "legal fees" or words of like import shall include but not be limited to fees of legal assistants and paralegals and fees incurred in any and all legal proceedings, including any trial or appellate level proceedings, and any sales tax thereon.

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No covenant, stipulation, obligation or agreement herein contained shall be deemed to be a covenant, stipulation, obligation or agreement of any member, agent or employee of the Governing Body in his or her individual capacity, and neither the members of the Governing Body nor any official executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

**Section 1302. Manner of Giving Notice to the District and the Trustee.** Any notice, demand, direction, request or other instrument authorized or required by this Master Indenture to be given to or filed with the District or the Governing Body or the Trustee shall be deemed to have been sufficiently given or filed for all purposes of this Master Indenture if and when sent by certified mail, return receipt requested:

To the District, addressed to:

Lake Hideaway Community Development District  
c/o Breeze Connected, LLC d/b/a Breeze  
1540 International Parkway  
Suite 2000  
Lake Mary, Florida 32746

To the Trustee, addressed to:

U.S. Bank Trust Company, National Association  
225 East Robinson Street  
Suite 250  
Orlando, Florida 32801  
Attention: Corporate Trust Department

or to such other address as shall be provided to the other party hereto in writing.

All documents received by the District and the Trustee under this Master Indenture shall be retained in their possession, subject at all reasonable times to the inspection of any Owner and the agents and representatives thereof.

**Section 1303. Manner of Giving Notice to the Owners.** Any notice, demand, direction, request, or other instrument authorized or required by this Master Indenture to be mailed to the Owners shall be deemed to have been sufficiently mailed if mailed by first class mail, postage pre-paid, to the Owners at their addresses as they appear at the time of mailing on the registration books maintained by the Bond Registrar.

**Section 1304. Successorship of District Officers.** If the offices of Chairman or Secretary shall be abolished or any two or more of such offices shall be

**Section 1310. Effective Date.** This Master Indenture shall be effective as of the date first written above.

(SEAL) Lake Hideaway Community Development  
District  
Established October 28, 2021  
Hernando County, Florida

**LAKE HIDEAWAY COMMUNITY  
DEVELOPMENT DISTRICT**

By:   
Chairman/Vice Chairman

ATTEST:

By:   
Secretary/Assistant Secretary

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

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

Section 1310. Effective Date. This Master Indenture shall be effective as of the date first written above.

EXHIBIT A

FORM OF REQUISITION

(SEAL)

LAKE HIDEAWAY COMMUNITY DEVELOPMENT DISTRICT

By: \_\_\_\_\_ Chairman/Vice Chairman

ATTEST:

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

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

By: Janice Audette Vice President

The undersigned, an Authorized Officer of Lake Hideaway Community Development District (the "District") hereby submits the following requisition for disbursement under and pursuant to the terms of the Master Trust Indenture between the District and U.S. Bank Trust Company, National Association, Orlando, Florida, as trustee (the "Trustee"), dated as of April 1, 2024, as amended and supplemented by the [ ] Supplemental Trust Indenture between the District and the Trustee, dated as of [ ] (collectively, the "Indenture"). All capitalized terms used herein shall have the meaning ascribed to such term in the Indenture.

- (A) Requisition Number:
(B) Name of Payee:
(C) Amount Payable:

(D) Purpose for which paid or incurred (refer also to specific contract if amount is due and payable pursuant to a contract involving progress payments or state Costs of Issuance, if applicable):

- (E) Fund, Account or subaccount from which disbursement is to be made:

The undersigned hereby certifies that:

[ ] obligations in the stated amount set forth above have been incurred by the District, that each disbursement set forth above is a proper charge against the [ ] Acquisition and Construction Account and the subaccount, if any, referenced above, that each disbursement set forth above was incurred in connection with the acquisition and/or construction of the [ ] Project and each represents a Cost of the [ ] Project, and has not previously been paid out of such Account or subaccount;

OR

[ ] this requisition is for Costs of Issuance payable from the [ ] Costs of Issuance Account that has not previously been paid out of such Account.

The undersigned hereby further certifies that there has not been filed with or served upon the District notice of any lien, right to lien, or attachment upon, or claim affecting the right to receive payment of, any of the moneys payable to the Payee set forth above, which has not been released or will not be released simultaneously with the payment hereof.

The undersigned hereby further certifies that such requisition contains no item representing payment on account of any retained percentage which the District is at the date of such certificate entitled to retain.

Originals or copies of the invoice(s) from the contractor of the improvements acquired or services rendered (or other equivalent supporting documents) with respect to which disbursement is hereby requested are on file with the District.

LAKE HIDEAWAY COMMUNITY DEVELOPMENT DISTRICT

By: \_\_\_\_\_ Authorized Officer

CONSULTING ENGINEER'S APPROVAL FOR NON-COST OF ISSUANCE REQUESTS ONLY

If this requisition is for a disbursement from other than the [ ] Costs of Issuance Account, the undersigned Consulting Engineer hereby certifies that this disbursement is for a Cost of the [ ] Project and is consistent with (i) the applicable acquisition or construction contract, (ii) the plans and specifications for the portion of the [ ] Project with respect to which such disbursement is being made, and (iii) the report of the Consulting Engineer attached as an Exhibit to the [ ] Supplemental Indenture, as such report shall have been amended or modified on the date hereof.

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

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

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**BETWEEN**

**LAKE HIDEAWAY COMMUNITY DEVELOPMENT DISTRICT**

**AND**

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

**AS TRUSTEE**

**Dated as of July 1, 2026**

**§[Bond Amount] Capital Improvement Revenue Bonds, Series 2026  
(Assessment Area Two)**

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- Exhibit C – Form of Requisition for Assessment Area Two Project
- Exhibit D – Form of Investor Letter

**SECOND SUPPLEMENTAL TRUST INDENTURE**

**THIS SECOND SUPPLEMENTAL TRUST INDENTURE** (this "Second Supplemental Indenture") is dated as of July 1, 2026, between **LAKE HIDEAWAY COMMUNITY DEVELOPMENT DISTRICT** (the "District") and **U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION**, as trustee (the "Trustee"), a national banking association, authorized to accept and execute trusts of the character herein set forth, with its designated corporate trust office located at 225 East Robinson Street, Suite 250, Orlando, Florida 32801, Attention: Corporate Trust Department.

**WHEREAS**, the District entered into a Master Trust Indenture, dated as of April 1, 2024 (the "Master Indenture" and together with this Second Supplemental Indenture, the "Indenture"), with the Trustee to secure the issuance of its Lake Hideaway Community Development District Capital Improvement Revenue Bonds (the "Bonds"), issuable in one or more Series from time to time; and

**WHEREAS**, pursuant to Resolution No. 2022-24, adopted by the Governing Body of the District on November 16, 2021, the District has authorized the issuance, sale and delivery of not to exceed \$33,230,000 of Bonds, to be issued in one or more Series of Bonds as authorized under the Master Indenture, which Bonds were validated by final judgment of the Fifth Judicial Circuit of Florida, in and for Hernando County on February 17, 2022, the appeal period for which expired with no appeal having been taken; and

**WHEREAS**, the Governing Body of the District duly adopted Resolution No. 2022-26, on November 16, 2021, providing for the acquisition, construction and installation of assessable capital improvements (the "Capital Improvement Program"), providing estimated Costs of the Capital Improvement Program, defining assessable property to be benefited by the Capital Improvement Program, defining the portion of the Costs of the Capital Improvement Program with respect to which Assessments will be imposed and the manner in which such Assessments shall be levied against such benefited property within the District, directing the preparation of an assessment roll, and stating the intent of the District to issue Bonds of the District secured by such Assessments to finance the Costs of the acquisition, construction and installation of the Capital Improvement Program and the Governing Body of the District duly adopted Resolution No. 2022-33, on January 13, 2022, following a public hearing conducted in accordance with the Act, to fix and establish the Assessments and the benefited property; and

**WHEREAS**, pursuant to Resolution No. 2026-04, adopted by the Governing Body of the District on March 20, 2026, the District has authorized the issuance, sale and delivery of, among other things, its §[Bond Amount] Lake Hideaway Community Development District Capital Improvement Revenue Bonds, Series 2026 (Assessment Area Two) (the "Series 2026 Bonds"), which are issued hereunder

as an issue of Bonds under the Master Indenture, and has ratified and confirmed the Master Indenture and authorized the execution and delivery of this Second Supplemental Indenture to secure the issuance of the Series 2026 Bonds and to set forth the terms of the Series 2026 Bonds; and

**WHEREAS**, the District will apply the proceeds of the Series 2026 Bonds to (a) finance a portion of the Cost of acquiring, constructing and equipping assessable improvements comprising the Assessment Area Two Project (hereinafter defined), (b) pay certain costs associated with the issuance of the Series 2026 Bonds, (c) make a deposit into the Series 2026 Reserve Account to be held for the benefit of all of the Series 2026 Bonds, and (d) pay a portion of the interest to become due on the Series 2026 Bonds; and

**WHEREAS**, the Series 2026 Bonds will be payable from and secured in part by revenues derived from Assessments imposed, levied and collected by the District in accordance with the Series 2026 Assessment Proceedings (hereinafter defined) with respect to property specially benefited by the Assessment Area Two Project (the "Series 2026 Assessments"); and

**WHEREAS**, the execution and delivery of the Series 2026 Bonds and of this Second Supplemental Indenture have been duly authorized by the Governing Body of the District and all things necessary to make the Series 2026 Bonds, when executed by the District and authenticated by the Trustee, valid and binding legal obligations of the District and to make this Second Supplemental Indenture a valid and binding agreement and, together with the Master Indenture, a valid and binding lien on the Series 2026 Trust Estate (hereinafter defined) have been done;

**NOW THEREFORE, KNOW ALL MEN BY THESE PRESENTS, THIS SECOND SUPPLEMENTAL INDENTURE WITNESSETH:**

That the District, in consideration of the premises, the acceptance by the Trustee of the trusts hereby created, the mutual covenants herein contained, the purchase and acceptance of the Series 2026 Bonds by the purchaser or purchasers thereof, and other good and valuable consideration, receipt of which is hereby acknowledged, and in order to further secure the payment of the principal and Redemption Price of, and interest on, all Series 2026 Bonds Outstanding from time to time, according to their tenor and effect, and such other payments required to be made under the Master Indenture or hereunder, and to further secure the observance and performance by the District of all the covenants, expressed or implied in the Master Indenture, in this Second Supplemental Indenture and in the Series 2026 Bonds (a) has executed and delivered this Second Supplemental Indenture and (b) does hereby, in confirmation of the Master Indenture, grant, bargain, sell, convey, transfer, assign and pledge unto the Trustee, and unto its successors in the trusts established under the Master Indenture, and to them and their successors and assigns forever, all right, title and interest of the District, in, to

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covenants, agreements, trusts, uses and purposes as expressed in the Master Indenture (except as amended directly or by implication by this Second Supplemental Indenture) and this Second Supplemental Indenture, and the District has agreed and covenanted, and does hereby agree and covenant, with the Trustee and with the respective Owners, from time to time, of the Series 2026 Bonds, as follows:

**ARTICLE I  
DEFINITIONS**

**Section 101. Definitions.** All terms used herein that are defined in the recitals hereto are used with the same meaning herein unless the context clearly requires otherwise. All terms used herein that are defined in the Master Indenture are used with the same meaning herein (including the use of such terms in the recitals hereto and the granting clauses hereof) unless (a) expressly given a different meaning herein or (b) the context clearly requires otherwise. In addition, unless the context clearly requires otherwise, the following terms used herein shall have the following meanings:

**"Arbitrage Certificate"** shall mean the Certificate as to Arbitrage and Certain Other Tax Matters of the District dated as of [Closing Date].

**"Assessment Area Two"** shall mean the 35.49 gross acres within Pod D within the District anticipated to include 212 residential units, as more fully described in the Engineer's Report and the Assessment Methodology.

**"Assessment Area Two Project"** shall mean that portion of the Capital Improvement Program being developed on and benefiting Assessment Area Two to be financed in part with the proceeds of the Series 2026 Bonds on deposit in the Series 2026 Acquisition and Construction Account, as more particularly described in the Engineer's Report.

**"Assessment Methodology"** shall mean the Master Special Assessment Methodology Report, dated November 16, 2021, prepared by DPGF Management & Consulting, LLC, as supplemented by the Second Supplemental Special Assessment Methodology Report, dated June [ ], 2026, prepared by the Methodology Consultant.

**"Authorized Denomination"** shall mean, with respect to the Series 2026 Bonds, on the date of issuance, the denomination of \$5,000 and any integral multiple thereof; provided, however, if any initial Beneficial Owner does not purchase at least \$100,000 of the Series 2026 Bonds at the time of initial delivery of the Series 2026 Bonds, such Beneficial Owner must either execute and deliver to the District and the Underwriter on the date of delivery of the Series 2026 Bonds an

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and under, subject to the terms and conditions of the Master Indenture and the provisions of the Master Indenture pertaining to the application thereof for or to the purposes and on the terms set forth in the Master Indenture, the revenues derived by the District from the Series 2026 Assessments (the "Series 2026 Pledged Revenues") and the Funds and Accounts (except for the Series 2026 Rebate Account) established hereby (the "Series 2026 Pledged Funds") which shall constitute the Series Trust Estate securing the Series 2026 Bonds (the "Series 2026 Trust Estate");

**TO HAVE AND TO HOLD** all the same by the Master Indenture granted, bargained, sold, conveyed, transferred, assigned and pledged, or agreed or intended so to be, to the Trustee and its successors in said trust and to it and its assigns forever;

**IN TRUST NEVERTHELESS**, except as in each such case may otherwise be provided in the Master Indenture, upon the terms and trusts in the Indenture set forth for the equal and proportionate benefit, security and protection of all and singular the present and future Owners of the Series 2026 Bonds issued or to be issued under and secured by this Second Supplemental Indenture, without preference, priority or distinction as to lien or otherwise, of any one Series 2026 Bond over any other Series 2026 Bond by reason of priority in their issue, sale or execution;

**PROVIDED HOWEVER**, that if the District, its successors or assigns, shall well and truly pay, or cause to be paid, or make due provision for the payment of the principal and Redemption Price of the Series 2026 Bonds or any Series 2026 Bond of a particular maturity issued, secured and Outstanding under this Second Supplemental Indenture and the interest due or to become due thereon, at the times and in the manner mentioned in the Series 2026 Bonds and this Second Supplemental Indenture, according to the true intent and meaning thereof, and shall well and truly keep, perform and observe all the covenants and conditions pursuant to the terms of the Master Indenture and this Second Supplemental Indenture to be kept, performed and observed by it, and shall pay or cause to be paid to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions of the Master Indenture and this Second Supplemental Indenture, then upon such final payments, this Second Supplemental Indenture and the rights hereby granted shall cease and terminate, with respect to all Series 2026 Bonds or any Series 2026 Bond of a particular maturity, otherwise this Second Supplemental Indenture shall remain in full force and effect;

**THIS SECOND SUPPLEMENTAL INDENTURE FURTHER WITNESSETH**, and it is expressly declared, that all Series 2026 Bonds issued and secured hereunder are to be issued, authenticated and delivered and all of the rights and property pledged to the payment thereof are to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations,

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investor letter substantially in the form attached hereto as **Exhibit D** or otherwise establish to the satisfaction of the Underwriter that such Beneficial Owner is an "accredited investor," as described in Rule 501(a) under Regulation D of the Securities Act of 1933, as amended.

**"Beneficial Owners"** shall have the meaning given such term by DTC so long as it is the registered Owner through its Nominee, Cede & Co., of the Series 2026 Bonds as to which such reference is made to enable such Series 2026 Bonds to be held in book-entry only form, and shall otherwise mean the registered Owner on the registration books of the District maintained by the Bond Registrar.

**"Bond Depository"** shall mean the securities depository from time to time under Section 201 hereof, which may be the District.

**"Bond Participants"** shall mean those broker-dealers, banks and other financial institutions from time to time for which the Bond Depository holds Series 2026 Bonds as securities depository.

**"Collateral Assignment"** shall mean the [Collateral Assignment and Assumption of Development Rights Relating to the Assessment Area Two Project] between the District and the Developer, dated as of [Closing Date].

**"Completion Agreement"** shall mean the [Funding and Completion Agreement (Assessment Area Two)] between the District and the Developer, dated as of [Closing Date].

**"Continuing Disclosure Agreement"** shall mean the Continuing Disclosure Agreement, by and among the District, the Developer and Kai Connected, LLC d/b/a Kai, as dissemination agent, dated as of [Closing Date].

**"Delinquent Assessment Interest"** shall mean Series 2026 Assessment Interest deposited by the District with the Trustee on or after May 1 of the year in which such Series 2026 Assessment Interest has, or would have, become delinquent under State law or the Series 2026 Assessment Proceedings applicable thereto.

**"Delinquent Assessment Principal"** shall mean Series 2026 Assessment Principal deposited by the District with the Trustee on or after May 1 of the year in which such Series 2026 Assessment Principal has, or would have, become delinquent under State law or the Series 2026 Assessment Proceedings applicable thereto.

**"Delinquent Assessments"** shall mean, collectively, Delinquent Assessment Principal and Delinquent Assessment Interest.

**"Developer"** shall mean Hawk Lake Hideaway, LLC, a Delaware limited liability company.

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**"District Manager"** shall mean Kai Connected, LLC d/b/a Kai, a Delaware limited liability company, its successors and assigns.

**"Engineer's Report"** shall mean the Bond Validation Report of the District Engineer, dated November 16, 2021, as supplemented by the Report of the District Engineer – Capital Improvement Revenue Bonds, Series 2026 (Assessment Area Two), dated March 20, 2026, each prepared by Stantec Consulting Services Inc., copies of which are attached hereto as Exhibit A.

**"Independent Third-Party Management Company"** shall mean a management company in which neither the Developer nor any affiliate of the Developer has any ownership interest.

**"Interest Payment Date"** shall mean each May 1 and November 1, commencing November 1, 2026.

**"Majority Owners"** shall mean the Beneficial Owners of more than fifty percent (50%) in principal amount of the Outstanding Series 2026 Bonds.

**"Methodology Consultant"** shall mean Kai Connected, LLC d/b/a Kai.

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

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

**"Redemption Date"** shall mean a Quarterly Redemption Date in the case of a partial redemption of Outstanding Series 2026 Bonds, or any date in the case of the redemption of all of the Outstanding Series 2026 Bonds.

**"Reserve Account Release Conditions #1"** shall mean, collectively, that (a) all of the outstanding principal portion of the Series 2026 Assessments has been assigned to lots that have been developed and platted, and (b) there are no Events of Default under the Indenture with respect to the Series 2026 Bonds. The District Manager shall provide a written certification to the District and the Trustee certifying that the event in clause (a) has occurred and affirming clause (b), on which certifications the Trustee may conclusively rely.

**"Reserve Account Release Conditions #2"** shall mean, collectively, that (a) all of the outstanding principal portion of the Series 2026 Assessments has been assigned to lots that have been developed, platted, and closed with homebuilders, and (b) there are no Events of Default under the Indenture with respect to the Series 2026 Bonds. The District Manager shall provide a written certification to the

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participation certificates issued by such entity); Federal Home Loan Banks; Federal Farm Credit Banks; Tennessee Valley Authority; Federal Home Loan Mortgage Corporation and repurchase agreements secured by such obligations, which funds are rated in the highest categories for such funds by both Moody's and S&P at the time of purchase;

(c) Both (i) shares of a diversified open-end management investment company (as defined in the Investment Company Act of 1940) or a regulated investment company (as defined in Section 851(a) of the Code) that is a money market fund that is rated in the highest rating category for such funds by Moody's and S&P, and (ii) shares of money market mutual funds that invest only in the obligations described in (a) and (b) above;

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

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

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

**"Series 2026 Prepayment Interest"** shall mean the interest on the Series 2026 Prepayments received by the District.

**"Series 2026 Prepayments"** shall mean the excess amount of Series 2026 Assessment Principal received by the District over the Series 2026 Assessment Principal included within a Series 2026 Assessment appearing on any outstanding and unpaid tax bill or direct collect invoice, whether or not mandated to be prepaid in accordance with the Series 2026 Assessment Proceedings. Anything herein or in the Master Indenture to the contrary notwithstanding, the term Series 2026 Prepayments shall not mean the proceeds of any Refunding Bonds or other borrowing of the District.

**"Series 2026 Reserve Account Requirement"** shall mean an amount equal to the Maximum Annual Debt Service Requirement for all Outstanding Series 2026 Bonds, as of the time of any such calculation, until such time as the Reserve Account Release Conditions #1 are met, at which time and thereafter, Series 2026 Reserve Account Requirement shall mean an amount equal to fifty percent (50%) of the Maximum Annual Debt Service Requirement for all Outstanding Series 2026 Bonds, as of the time of any such calculation, until such time as the Reserve

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District and the Trustee certifying that the event in clause (a) has occurred and affirming clause (b), on which certifications the Trustee may conclusively rely.

**"Reserve Account Release Conditions #3"** shall mean, collectively, that (a) all of the outstanding principal portion of the Series 2026 Assessments has been assigned to homes that have received a certificate of occupancy, (b) all Series 2026 Assessments are being collected pursuant to the Uniform Method, and (c) there are no Events of Default under the Indenture with respect to the Series 2026 Bonds. The District Manager shall provide a written certification to the District and the Trustee certifying that the event in clause (a) has occurred and affirming clauses (b) and (c), on which certifications the Trustee may conclusively rely.

**"Series 2026 Assessment Interest"** shall mean the interest on the Series 2026 Assessments which is pledged to the Series 2026 Bonds.

**"Series 2026 Assessment Principal"** shall mean the principal amount of Series 2026 Assessments received by the District which represents a proportionate amount of the principal of and Amortization Installments of the Series 2026 Bonds, other than applicable Delinquent Assessment Principal and Series 2026 Prepayments.

**"Series 2026 Assessment Proceedings"** shall mean the proceedings of the District with respect to the establishment, levy and collection of the Series 2026 Assessments which include Resolution Nos. 2022-26, 2022-27 and 2022-33, adopted by the Governing Body of the District, and any supplemental proceedings undertaken by the District with respect to the Series 2026 Assessments and the Assessment Methodology as approved thereby.

**"Series 2026 Assessment Revenues"** shall mean all revenues derived by the District from the Series 2026 Assessments, including Delinquent Assessments, proceeds from any foreclosure of the lien of Delinquent Assessments and any statutory interest on the Delinquent Assessments collected by the District in excess of the rate of interest on the Series 2026 Bonds.

**"Series 2026 Investment Obligations"** shall mean and includes any of the following securities, if and to the extent that such securities are legal investments for funds of the District:

(a) Government Obligations;

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

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Account Release Conditions #2 are met, at which time and thereafter, Series 2026 Reserve Account Requirement shall mean an amount equal to twenty-five percent (25%) of the Maximum Annual Debt Service Requirement for all Outstanding Series 2026 Bonds, as of the time of any such calculation, until such time as the Reserve Account Release Conditions #3 are met, at which time and thereafter, Series 2026 Reserve Account Requirement shall mean an amount equal to ten percent (10%) of the Maximum Annual Debt Service Requirement for all Outstanding Series 2026 Bonds, as of the time of any such calculation. On the date of initial issuance of the Series 2026 Bonds, the Series 2026 Reserve Account Requirement shall be \$[RAR].

**"Substantially Absorbed"** shall mean the date on which the principal amount of the Series 2026 Assessments equaling at least ninety percent (90%) of the then Outstanding principal amount of the Series 2026 Bonds is levied on tax parcels within Assessment Area Two with respect to which a certificate of occupancy has been issued for a structure thereon, as certified by an Authorized Officer and upon which the Trustee may conclusively rely.

**"True-Up Agreement"** shall mean the [True-Up Agreement (Assessment Area Two)] between the District and the Developer, dated as of [Closing Date].

**"Underwriter"** shall mean FMSBonds, Inc., the underwriter of the Series 2026 Bonds.

## ARTICLE II AUTHORIZATION, ISSUANCE AND PROVISIONS OF SERIES 2026 BONDS

**Section 201. Authorization of Series 2026 Bonds; Book-Entry Only Form.** The Series 2026 Bonds are hereby authorized to be issued in one Series in the aggregate principal amount of \$[Bond Amount] for the purposes enumerated in the recitals hereto to be designated "Lake Hideaway Community Development District Capital Improvement Revenue Bonds, Series 2026 (Assessment Area Two)." The Series 2026 Bonds shall be substantially in the form attached hereto as Exhibit B. Each Series 2026 Bond shall bear the designation "2026R" and shall be numbered consecutively from 1 upwards.

The Series 2026 Bonds shall be initially issued in the form of a separate single certificated fully registered Series 2026 Bond for each maturity thereof. Upon initial issuance, the ownership of each such Series 2026 Bond shall be registered in the registration books kept by the Bond Registrar in the name of Cede & Co., as Nominee of DTC, the initial Bond Depository. Except as provided in this Section 201, all of the Outstanding Series 2026 Bonds shall be registered in the registration books kept by the Bond Registrar in the name of Cede & Co., as Nominee of DTC.

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With respect to Series 2026 Bonds registered in the registration books kept by the Bond Registrar in the name of Cede & Co., as Nominee of DTC, the District, the Trustee, the Bond Registrar and the Paying Agent shall have no responsibility or obligation to any such Bond Participant or to any indirect Bond Participant. Without limiting the immediately preceding sentence, the District, the Trustee, the Bond Registrar and the Paying Agent shall have no responsibility or obligation with respect to (a) the accuracy of the records of DTC, Cede & Co., or any Bond Participant with respect to any ownership interest in the Series 2026 Bonds, (b) the delivery to any Bond Participant or any other person other than an Owner, as shown in the registration books kept by the Bond Registrar, of any notice with respect to the Series 2026 Bonds, including any notice of redemption, or (c) the payment to any Bond Participant or any other person, other than an Owner, as shown in the registration books kept by the Bond Registrar, of any amount with respect to principal of, premium, if any, or interest on the Series 2026 Bonds. The District, the Trustee, the Bond Registrar and the Paying Agent shall treat and consider the person in whose name each Series 2026 Bond is registered in the registration books kept by the Bond Registrar as the absolute Owner of such Series 2026 Bond for the purpose of payment of principal, premium and interest with respect to such Series 2026 Bond, for the purpose of giving notices of redemption and other matters with respect to such Series 2026 Bond, for the purpose of registering transfers with respect to such Series 2026 Bond, and for all other purposes whatsoever. The Paying Agent shall pay all principal of, premium, if any, and interest on the Series 2026 Bonds only to or upon the order of the respective Owners, as shown in the registration books kept by the Bond Registrar, or their respective attorneys duly authorized in writing, as provided herein and all such payments shall be valid and effective to fully satisfy and discharge the District's obligations with respect to payment of principal of, premium, if any, and interest on the Series 2026 Bonds to the extent of the sum or sums so paid. No person other than an Owner, as shown in the registration books kept by the Bond Registrar, shall receive a certificated Series 2026 Bond evidencing the obligation of the District to make payments of principal, premium, if any, and interest pursuant to the provisions hereof. Upon delivery by DTC to the District of written notice to the effect that DTC has determined to substitute a new Nominee in place of Cede & Co., and subject to the provisions herein with respect to Record Dates, the words "Cede & Co." in this Second Supplemental Indenture shall refer to such new Nominee of DTC, and upon receipt of such a notice the District shall promptly deliver a copy of the same to the Trustee, the Bond Registrar and the Paying Agent.

Upon receipt by the Trustee or the District of written notice from DTC (a) confirming that DTC has received written notice from the District to the effect that a continuation of the requirement that all of the Outstanding Series 2026 Bonds be registered in the registration books kept by the Bond Registrar in the name of Cede & Co., as Nominee of DTC, is not in the best interest of the Beneficial Owners of the Series 2026 Bonds, or (b) to the effect that DTC is unable or unwilling to discharge its responsibilities and no substitute Bond Depository willing to undertake the

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- (a) certified copies of the Series 2026 Assessment Proceedings;
- (b) executed copies of the Master Indenture and this Second Supplemental Indenture;
- (c) a customary Bond Counsel opinion;
- (d) the District Counsel opinion required by the Master Indenture;
- (e) a certificate of an Authorized Officer to the effect that, upon the authentication and delivery of the Series 2026 Bonds, the District will not be in default in the performance of the terms and provisions of the Master Indenture or this Second Supplemental Indenture;
- (f) an Engineer's Certificate and a copy of the Engineer's Report, which sets forth the estimated Costs of the Assessment Area Two Project;
- (g) a certificate of the Methodology Consultant addressing the validity of the Series 2026 Assessments;
- (h) a certified copy of the final judgment of validation in respect of the Bonds together with a certificate of no appeal; and
- (i) an executed Collateral Assignment, Completion Agreement and True-Up Agreement.

Payment to the Trustee of the net proceeds of the Series 2026 Bonds in the amount of \$[NP] shall conclusively evidence that the foregoing conditions precedent have been met to the satisfaction of the District and the Underwriter.

### ARTICLE III REDEMPTION OF SERIES 2026 BONDS

**Section 301. Bonds Subject to Redemption.** The Series 2026 Bonds are subject to redemption prior to maturity as provided in the form thereof attached hereto as **Exhibit B**. Interest on Series 2026 Bonds which are called for redemption shall be paid on the date of redemption from the Series 2026 Interest Account or from the Series 2026 Revenue Account to the extent moneys in the Series 2026 Interest Account are insufficient for such purpose. Moneys in the Series 2026 Optional Redemption Subaccount shall be applied in accordance with Section 506 of the Master Indenture to the optional redemption of Series 2026 Bonds.

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functions of DTC hereunder can be found which is willing and able to undertake such functions upon reasonable and customary terms, the Series 2026 Bonds shall no longer be restricted to being registered in the registration books kept by the Bond Registrar in the name of Cede & Co., as Nominee of DTC, but may be registered in whatever name or names Owners transferring or exchanging the Series 2026 Bonds shall designate, in accordance with the provisions hereof.

**Section 202. Terms.** The Series 2026 Bonds shall be issued as [ ] ([ ]) Term Bonds, shall be dated as of the date of their issuance and delivery to the initial purchasers thereof, shall bear interest at the fixed interest rates per annum and shall mature in the amounts and on the dates set forth below:

Number	Principal Amount	Maturity Date	Interest Rate	CUSIP
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**Section 203. Dating; Interest Accrual.** Each Series 2026 Bond shall be dated [Closing Date]. Each Series 2026 Bond shall also bear its date of authentication. Each Series 2026 Bond shall bear interest from the Interest Payment Date to which interest has been paid next preceding the date of its authentication, unless the date of its authentication (a) is an Interest Payment Date to which interest on such Series 2026 Bond has been paid, in which event such Series 2026 Bond shall bear interest from its date of authentication, or (b) is prior to the first Interest Payment Date for the Series 2026 Bonds, in which event such Series 2026 Bond shall bear interest from its date. Interest on the Series 2026 Bonds shall be due and payable on each May 1 and November 1, commencing November 1, 2026, and shall be computed on the basis of a 360-day year comprised of twelve (12) thirty (30) day months.

**Section 204. Denominations.** The Series 2026 Bonds shall be issued in Authorized Denominations.

**Section 205. Paying Agent.** The District appoints the Trustee as Paying Agent for the Series 2026 Bonds.

**Section 206. Bond Registrar.** The District appoints the Trustee as Bond Registrar for the Series 2026 Bonds.

**Section 207. Conditions Precedent to Issuance of Series 2026 Bonds.** In addition to complying with the requirements set forth in the Master Indenture in connection with the issuance of the Series 2026 Bonds, all the Series 2026 Bonds shall be executed by the District for delivery to the Trustee and thereupon shall be authenticated by the Trustee and delivered to the District or upon its order, but only upon the further receipt by the Trustee of:

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### ARTICLE IV DEPOSIT OF SERIES 2026 BOND PROCEEDS AND APPLICATION THEREOF; ESTABLISHMENT OF ACCOUNTS AND OPERATION THEREOF

**Section 401. Establishment of Accounts.** There are hereby established, as needed, the following Accounts:

- (a) within the Acquisition and Construction Fund held by the Trustee, a Series 2026 Acquisition and Construction Account and a Series 2026 Costs of Issuance Account;
- (b) within the Debt Service Fund held by the Trustee: (i) a Series 2026 Debt Service Account and therein a Series 2026 Sinking Fund Account, a Series 2026 Interest Account and a Series 2026 Capitalized Interest Account; and (ii) a Series 2026 Redemption Account and therein a Series 2026 Prepayment Subaccount and a Series 2026 Optional Redemption Subaccount;
- (c) within the Reserve Fund held by the Trustee, a Series 2026 Reserve Account, which shall be held for the benefit of all of the Series 2026 Bonds, without distinction as to Series 2026 Bonds and without privilege or priority of one Series 2026 Bond over another;
- (d) within the Revenue Fund held by the Trustee, a Series 2026 Revenue Account; and
- (e) within the Rebate Fund held by the Trustee, a Series 2026 Rebate Account.

**Section 402. Use of Series 2026 Bond Proceeds.** The net proceeds of sale of the Series 2026 Bonds in the amount of \$[NP] (consisting of \$[Bond Amount].00 principal amount of Series 2026 Bonds [less/plus] [net] original issue [discount/premium] in the amount of \$[OID/OIP] and less an underwriter's discount in the amount of \$[UD]), shall as soon as practicable upon the delivery thereof to the Trustee by the District pursuant to Section 207 of the Master Indenture, be applied as follows:

- (a) \$[RAR], representing the Series 2026 Reserve Account Requirement at the time of issuance of the Series 2026 Bonds, shall be deposited to the credit of the Series 2026 Reserve Account;
- (b) \$[COI], representing the costs of issuance relating to the Series 2026 Bonds, shall be deposited to the credit of the Series 2026 Costs of Issuance Account;

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(c) \$[CAPI], representing Capitalized Interest on the Series 2026 Bonds through and including November 1, 2026, shall be deposited to the credit of the Series 2026 Capitalized Interest Account; and

(d) \$[CD] shall be deposited to the credit of the Series 2026 Acquisition and Construction Account.

**Section 403. Series 2026 Acquisition and Construction Account; Series 2026 Costs of Issuance Account.** (a) Amounts on deposit in the Series 2026 Acquisition and Construction Account shall be applied to pay Costs of the Assessment Area Two Project upon compliance with the requisition provisions set forth in Section 503(b) of the Master Indenture and on the form attached hereto as Exhibit C. The Trustee shall have no duty to verify that any requested disbursement from the Series 2026 Acquisition and Construction Account is for a Cost of the Assessment Area Two Project. The Consulting Engineer shall establish a Date of Completion for the Assessment Area Two Project, and any balance remaining in the Series 2026 Acquisition and Construction Account after such Date of Completion (taking into account the moneys then on deposit therein to pay any accrued but unpaid Costs of the Assessment Area Two Project which are required to be reserved in the Series 2026 Acquisition and Construction Account in accordance with the certificate of the Consulting Engineer delivered to the District and the Trustee establishing such Date of Completion), shall be transferred to the Series 2026 Prepayment Subaccount and applied to the extraordinary mandatory redemption of the Series 2026 Bonds in accordance with Section 301 hereof and in the manner prescribed in the form of Series 2026 Bond attached hereto as Exhibit B. Notwithstanding the foregoing, the District shall not establish a Date of Completion until after all of the Reserve Account Release Conditions #1, the Reserve Account Release Conditions #2 and the Reserve Account Release Conditions #3 have been satisfied and moneys have been transferred from the Series 2026 Reserve Account to the Series 2026 Acquisition and Construction Account as a result of such satisfaction pursuant to Section 405 hereof. At such time as there are no amounts on deposit in the Series 2026 Acquisition and Construction Account, such Account shall be closed.

(b) The amount deposited in the Series 2026 Costs of Issuance Account shall, at the written direction of an Authorized Officer to the Trustee, be used to pay the costs of issuance relating to the Series 2026 Bonds. On the earlier to occur of (i) the written direction of an Authorized Officer or (ii) six (6) months from the date of issuance of the Series 2026 Bonds, any amounts deposited in the Series 2026 Costs of Issuance Account for which the Trustee has not received a requisition to pay such costs shall be transferred over and deposited into the Series 2026 Acquisition and Construction Account and used for the purposes permitted therefor. Any deficiency in the amount allocated to pay the costs of issuance relating to the Series 2026 Bonds shall be paid from excess moneys on deposit in the Series 2026 Revenue Account pursuant to Section 408(d) FOURTH hereof. When such deficiency has

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accrued interest and redemption premium, if any, on such Series 2026 Bonds to the earliest Redemption Date permitted therein and herein, then the Trustee shall transfer the amount on deposit in the Series 2026 Reserve Account into the Series 2026 Prepayment Subaccount to pay and redeem all of the Outstanding Series 2026 Bonds on the earliest Redemption Date permitted for redemption therein and herein.

Anything herein or in the Master Indenture to the contrary notwithstanding, amounts on deposit in the Series 2026 Reserve Account shall, upon the occurrence and continuance of an Event of Default, be subject to a first charge by the Trustee for its fees and expenses, including fees and expenses of collection of Delinquent Assessments.

**Section 406. Amortization Installments; Selection of Bonds for Redemption.** (a) The Amortization Installments established for the Series 2026 Bonds shall be as set forth in the form of Series 2026 Bonds attached hereto.

(b) Upon any redemption of Series 2026 Bonds (other than Series 2026 Bonds redeemed in accordance with scheduled Amortization Installments and other than Series 2026 Bonds redeemed at the direction of the District accompanied by a cash flow certificate as required by Section 506(b) of the Master Indenture), the Trustee shall cause Series 2026 Bonds to be redeemed in such amounts and having such maturities so as to result in Amortization Installments recalculated, which recalculation shall be performed by the District, in such manner as shall amortize all the Outstanding Series 2026 Bonds of all of the maturities in substantially equal annual installments of principal and interest (subject to rounding to Authorized Denominations of principal) over the remaining terms of all of the Series 2026 Bonds.

**Section 407. Tax Covenants.** The District shall comply with the Arbitrage Certificate, including but not limited to the Tax Regulatory Covenants set forth as an exhibit to the Arbitrage Certificate, as amended and supplemented from time to time in accordance with their terms.

**Section 408. Series 2026 Revenue Account; Application of Revenues and Investment Earnings.** (a) The Trustee is hereby authorized and directed to deposit any and all amounts required to be deposited in the Series 2026 Revenue Account by this Section 408 or by any other provision of the Master Indenture or this Second Supplemental Indenture, and any other amounts or payments specifically designated by the District pursuant to a written direction or by a Supplemental Indenture for said purpose. The Series 2026 Revenue Account shall be held by the Trustee separate and apart from all other Funds and Accounts held under the Indenture and from all other moneys of the Trustee.

been satisfied and no moneys remain therein, the Series 2026 Costs of Issuance Account shall be closed.

**Section 404. Series 2026 Capitalized Interest Account.** Amounts on deposit in the Series 2026 Capitalized Interest Account shall, until and including November 1, 2026, be transferred into the Series 2026 Interest Account and applied to the payment of interest first coming due on the Series 2026 Bonds in accordance with Section 408(d) hereof, and thereafter transferred into the Series 2026 Acquisition and Construction Account, whereupon the Series 2026 Capitalized Interest Account shall be closed.

**Section 405. Series 2026 Reserve Account.** The Series 2026 Reserve Account shall be funded and maintained at all times in an amount equal to the Series 2026 Reserve Account Requirement. Except as otherwise provided herein or in the Master Indenture, amounts on deposit in the Series 2026 Reserve Account shall be used only for the purpose of making payments into the Series 2026 Interest Account and the Series 2026 Sinking Fund Account to pay Debt Service on the Series 2026 Bonds, when due, without distinction as to Series 2026 Bonds and without privilege or priority of one Series 2026 Bond over another, to the extent the moneys on deposit in such Accounts available therefor are insufficient and for no other purpose. The Series 2026 Reserve Account shall consist only of cash and Series 2026 Investment Obligations.

Anything herein or in the Master Indenture to the contrary notwithstanding, on the forty-fifth (45<sup>th</sup>) day preceding each Quarterly Redemption Date (or, if such forty-fifth (45<sup>th</sup>) day is not a Business Day, on the Business Day preceding such forty-fifth (45<sup>th</sup>) day), the Trustee is hereby authorized and directed to recalculate the Series 2026 Reserve Account Requirement. Following such recalculation, the Trustee shall promptly notify the District of any excess on deposit in the Series 2026 Reserve Account whereupon the District shall direct the Trustee in writing to transfer such excess on deposit in the Series 2026 Reserve Account (a) resulting from Prepayments of Series 2026 Assessments into the Series 2026 Prepayment Subaccount and applied as a credit against the Prepayment otherwise required to be made by the owner of such lot or parcel subject to such Prepayment and thereafter applied to the extraordinary mandatory redemption of the Series 2026 Bonds, (b) resulting from a reduction of the Series 2026 Reserve Account Requirement as the result of either the Reserve Account Release Conditions #1, the Reserve Account Release Conditions #2 or the Reserve Account Release Conditions #3 being met into the Series 2026 Acquisition and Construction Account and used for the purposes of such Account, or (c) resulting from investment earnings as provided in Section 408(f) herein.

On the earliest date on which there is on deposit in the Series 2026 Reserve Account sufficient moneys, after taking into account other moneys available therefor, to pay and redeem all of the Outstanding Series 2026 Bonds, together with

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(b) The Trustee shall deposit into the Series 2026 Revenue Account (i) Series 2026 Assessment Revenues other than Series 2026 Prepayments (which Series 2026 Prepayments shall be identified by the District to the Trustee as such in writing upon deposit, upon which certification the Trustee may conclusively rely, and which shall be deposited into the Series 2026 Prepayment Subaccount), (ii) Series 2026 Prepayment Interest, and (iii) any other revenues required by other provisions of the Indenture to be deposited into the Series 2026 Revenue Account.

(c) On the forty-fifth (45<sup>th</sup>) day preceding each Quarterly Redemption Date (or if such forty-fifth (45<sup>th</sup>) day is not a Business Day, on the Business Day preceding such forty-fifth (45<sup>th</sup>) day), the Trustee shall determine the amount on deposit in the Series 2026 Prepayment Subaccount and, if the balance therein is greater than zero, shall, upon written direction from the District, transfer from the Series 2026 Revenue Account for deposit into the Series 2026 Prepayment Subaccount an amount sufficient to increase the amount on deposit therein to the nearest integral multiple of \$5,000 (provided that there are sufficient funds remaining in the Series 2026 Revenue Account to pay Debt Service coming due on the Series 2026 Bonds on the next succeeding Interest Payment Date), and shall thereupon give notice and cause the extraordinary mandatory redemption of the Series 2026 Bonds on the next succeeding Redemption Date in the maximum aggregate principal amount for which moneys are then on deposit in the Series 2026 Prepayment Subaccount in accordance with the provisions for extraordinary mandatory redemption of the Series 2026 Bonds set forth in the form of Series 2026 Bonds attached hereto, Section 301 hereof, and Article III of the Master Indenture.

(d) On May 1 and November 1 (or if such May 1 or November 1 is not a Business Day, on the Business Day preceding such May 1 or November 1), the Trustee shall first transfer from the Series 2026 Capitalized Interest Account to the Series 2026 Interest Account the lesser of (i) the amount of interest coming due on the Series 2026 Bonds on such May 1 or November 1, less the amount already on deposit in the Series 2026 Interest Account, or (ii) the amount remaining in the Series 2026 Capitalized Interest Account. Following the foregoing transfer, on such May 1 or November 1 (or if such May 1 or November 1 is not a Business Day, on the Business Day preceding such May 1 or November 1), the Trustee shall then transfer amounts on deposit in the Series 2026 Revenue Account to the Accounts designated below in the following amounts and in the following order of priority:

**FIRST**, to the Series 2026 Interest Account, the amount, if any, equal to the difference between the amount of interest payable on all Series 2026 Bonds then Outstanding on such May 1 or November 1, and (i) the amount transferred from the Series 2026 Capitalized Interest Account in accordance with this Section 408(d) and (ii) the amount already on deposit in the Series 2026 Interest Account not previously credited;

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**SECOND**, on May 1, 20[ ], and on each May 1 thereafter, to the Series 2026 Sinking Fund Account, the amount, if any, equal to the difference between the Amortization Installments of all Series 2026 Bonds subject to mandatory sinking fund redemption on such May 1 and the amount already on deposit in the Series 2026 Sinking Fund Account not previously credited;

**THIRD**, to the Series 2026 Reserve Account, the amount, if any, which is necessary to make the amount on deposit therein equal to the Series 2026 Reserve Account Requirement with respect to the Series 2026 Bonds; and

**FOURTH**, the balance shall first be deposited into the Series 2026 Costs of Issuance Account to fund any deficiencies in the amount allocated to pay the costs of issuance relating to the Series 2026 Bonds, and then the balance shall be retained in the Series 2026 Revenue Account.

(e) On any date required by the Arbitrage Certificate, the District shall give the Trustee written direction to, and the Trustee shall, transfer from the Series 2026 Revenue Account to the Series 2026 Rebate Account the amount due and owing to the United States, which amount shall be paid to the United States when due in accordance with such Arbitrage Certificate.

(f) Anything herein or in the Master Indenture to the contrary notwithstanding, moneys on deposit in all of the Funds and Accounts held as security for the Series 2026 Bonds shall be invested only in Series 2026 Investment Obligations, Earnings on investments in the Series 2026 Acquisition and Construction Account, the Series 2026 Interest Account and the Series 2026 Capitalized Interest Account shall be retained, as realized, in such Accounts and used for the purposes of such Accounts. Earnings on investments in the Funds and Accounts other than the Series 2026 Reserve Account, and other than as set forth above, shall be deposited, as realized, to the credit of the Series 2026 Revenue Account and used for the purpose of such Account.

Earnings on investments in the Series 2026 Reserve Account shall be disposed of as follows:

(i) if there was no deficiency (as defined in Section 509 of the Master Indenture) in the Series 2026 Reserve Account as of the most recent date on which amounts on deposit in the Series 2026 Reserve Account were valued by the Trustee, and if no withdrawals have been made from the Series 2026 Reserve Account since such date which have created a deficiency, then earnings on investments in the Series 2026 Reserve Account shall be deposited into the Series 2026 Capitalized Interest Account through November 1, 2026, and thereafter shall be deposited into the Series 2026 Revenue Account and used for the purpose of such Account; or

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any lands subject to the Series 2026 Assessments; provided, however, that the foregoing shall not preclude the imposition of capital Assessments on property subject to the Series 2026 Assessments which are necessary for health, safety or welfare reasons or to remediate a natural disaster, or to effect repairs to or replacement of property, facilities or equipment of the District. Notwithstanding the foregoing, the District covenants and agrees that it shall not issue any Bonds secured by Assessments for capital projects if there shall have occurred and be continuing any Event of Default with respect to any Series of Bonds issued under the Master Indenture.

#### ARTICLE VII MISCELLANEOUS

**Section 701. Confirmation of Master Indenture.** As supplemented by this Second Supplemental Indenture, the Master Indenture is in all respects ratified and confirmed, and this Second Supplemental Indenture shall be read, taken and construed as a part of the Master Indenture so that all of the rights, remedies, terms, conditions, covenants and agreements of the Master Indenture, except insofar as modified herein, shall apply and remain in full force and effect with respect to this Second Supplemental Indenture and to the Series 2026 Bonds issued hereunder.

**Section 702. Continuing Disclosure Agreement.** Contemporaneously with the execution and delivery hereof, the District has executed and delivered the Continuing Disclosure Agreement in order to comply with the requirements of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended. The District covenants and agrees to comply with the provisions of the Continuing Disclosure Agreement. However, as set forth therein, failure to so comply shall not constitute an Event of Default hereunder, but instead shall be enforceable as provided in the Continuing Disclosure Agreement.

**Section 703. Additional Covenant Regarding Assessments.** In addition to, and not in limitation of, the covenants contained elsewhere in this Second Supplemental Indenture and in the Master Indenture, the District covenants to comply with the terms of the Series 2026 Assessment Proceedings heretofore adopted with respect to the Series 2026 Assessments, including the Assessment Methodology, and to levy the Series 2026 Assessments and collect any required true-up payments set forth in the Assessment Methodology in such manner as will generate funds sufficient to pay the principal of and interest on the Series 2026 Bonds, when due. The Assessment Methodology shall not be materially amended without written consent of the Majority Owners.

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(ii) if there was a deficiency (as defined in Section 509 of the Master Indenture) in the Series 2026 Reserve Account as of the most recent date on which amounts on deposit in the Series 2026 Reserve Account were valued by the Trustee, or if after such date withdrawals have been made from the Series 2026 Reserve Account and have created such a deficiency, then earnings on investments in the Series 2026 Reserve Account shall be retained in the Series 2026 Reserve Account until the amount on deposit therein is equal to the Series 2026 Reserve Account Requirement, and then earnings on investments in the Series 2026 Reserve Account shall be deposited into the Series 2026 Capitalized Interest Account through November 1, 2026, and thereafter shall be deposited into the Series 2026 Revenue Account and used for the purpose of such Account.

The foregoing determination and disbursement shall be made prior to any recalculation and transfer of excess amounts on deposit in the Series 2026 Reserve Account made pursuant to Section 405 hereof.

#### ARTICLE V CONCERNING THE TRUSTEE

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

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

**Section 503. Trustee's Duties.** Nothing contained herein shall limit the rights, benefits, privileges, protection and entitlements inuring to the Trustee under the Master Indenture, including, particularly, Article VI thereof.

#### ARTICLE VI ADDITIONAL BONDS

**Section 601. No Parity Bonds; Limitation on Parity Assessments.** The District covenants and agrees that so long as there are any Series 2026 Bonds Outstanding, it shall not cause or permit to be caused any lien, charge or claim against the Series 2026 Trust Estate. The District further covenants and agrees that so long as the Series 2026 Assessments have not been Substantially Absorbed, it shall not issue any Bonds or other debt obligations secured by Assessments on

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**Section 704. Collection of Assessments.** (a) Anything herein or in the Master Indenture to the contrary notwithstanding, when permitted by law, Series 2026 Assessments levied on platted lots no longer owned by the Developer and pledged hereunder to secure the Series 2026 Bonds shall be collected pursuant to the Uniform Method, and Series 2026 Assessments levied on unplatted lands and platted lots owned by the Developer and pledged hereunder to secure the Series 2026 Bonds shall be collected directly by the District pursuant to the Act and Chapters 170 and 197, Florida Statutes, and not pursuant to the Uniform Method, in each case unless otherwise directed by the Trustee acting at the direction of the Majority Owners upon the occurrence and continuance of an Event of Default.

(b) All Series 2026 Assessments that are collected directly by the District and not via the Uniform Method shall be due and payable by the applicable landowner no later than thirty (30) days prior to each Interest Payment Date; provided, however, that such Series 2026 Assessments shall not be deemed Delinquent Assessments unless and until such Series 2026 Assessments are not paid by the applicable Interest Payment Date with respect to which they have been billed.

**Section 705. Owner Direction and Consent with Respect to Series 2026 Acquisition and Construction Account Upon Occurrence of Event of Default.** In accordance with the provisions of the Indenture, the Series 2026 Bonds are payable solely from the Series 2026 Pledged Revenues and the Series 2026 Pledged Funds held by the Trustee under the Indenture for such purpose. Anything in the Indenture to the contrary notwithstanding, the District hereby acknowledges that (a) the Series 2026 Pledged Funds include, without limitation, all amounts on deposit in the Series 2026 Acquisition and Construction Account then held by the Trustee, (b) upon the occurrence of an Event of Default with respect to the Series 2026 Bonds, the Series 2026 Pledged Funds may not be used by the District (whether to pay Costs of the Assessment Area Two Project or otherwise) without the written consent of the Majority Owners, except to the extent that prior to the occurrence of the Event of Default the District had incurred a binding obligation with third parties for work on the Assessment Area Two Project and payment is for such work, and (c) upon the occurrence of an Event of Default with respect to the Series 2026 Bonds, the Series 2026 Pledged Funds may be used by the Trustee, at the direction or with the approval of the Majority Owners, to pay the reasonable costs and expenses incurred in connection with the pursuit of remedies under the Indenture. The District shall not enter into any binding agreement with respect to the Assessment Area Two Project that will cause the expenditure of additional funds from the Series 2026 Trust Estate after the occurrence and during the continuance of an Event of Default unless authorized in writing by the Majority Owners.

**Section 706. Assignment of District's Rights Under Collateral Assignment.** Subject to the terms of the Collateral Assignment, the District hereby

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assigns its rights under the Collateral Assignment to the Trustee for the benefit of the Owners, from time to time, of the Series 2026 Bonds. The Trustee shall not be deemed to have accepted any obligation under the Collateral Assignment by virtue of such assignment.

**Section 707. Enforcement of True-Up Agreement and Completion Agreement.** The District, either through its own actions, or actions caused to be taken through the Trustee, covenants that it shall strictly enforce all of the provisions of the True-Up Agreement and the Completion Agreement and, upon the occurrence and continuance of a default under either or both of such Agreements, the District covenants and agrees that the Trustee, at the direction of the Majority Owners, may, subject to the provisions of Section 912 of the Master Indenture, act on behalf of and in the District's stead to enforce the provisions of such Agreements and to pursue all available remedies under applicable law or in equity. Anything herein or in the Master Indenture to the contrary notwithstanding, failure of the District to enforce, or permit the Trustee to enforce in its stead, all of the provisions of the True-Up Agreement and the Completion Agreement upon demand of the Majority Owners, or the Trustee at the direction of the Majority Owners, shall constitute an Event of Default under the Indenture, provided, however, that the District shall have a reasonable opportunity to cure.

**Section 708. Payment of Rebate Amount.** Anything herein or in the Master Indenture to the contrary notwithstanding, the District shall cause a Rebate Analyst to determine the Rebate Amount, if any, at the times and in the manner provided in the Tax Regulatory Covenants attached as an exhibit to the Arbitrage Certificate. If a Rebate Amount shall be due, the District shall deliver to the Trustee the written direction of an Authorized Officer to pay from the Series 2026 Rebate Account, or from any other available funds as shall be provided in such written direction, the Rebate Amount to the District for remittance to the Internal Revenue Service. The Trustee may conclusively rely on such written direction and shall have no responsibility for the calculation or payment of the Rebate Amount, if any. Notwithstanding Section 507(b) of the Master Indenture, the District shall not be required to provide the report of the Rebate Analyst to the Trustee.

**Section 709. Additional Covenant Regarding Termination of District Manager Upon Event of Default.** The District hereby covenants that, within thirty (30) days following the receipt of written notice from the Trustee (which written notice shall be provided in the manner set forth in Section 1302 of the Master Indenture) of the occurrence of an Event of Default under the Master Indenture with respect to any Series of Bonds issued thereunder, so long as such Series of Bonds is secured by Assessments levied on lands owned entirely or in part by the Developer or any affiliate of the Developer, the District shall terminate the District Manager and shall immediately appoint an Independent Third-Party Management Company to provide district management services, which appointment shall be evidenced by a certificate signed by an Authorized Officer and

provided to the Trustee, upon which certificate the Trustee may conclusively rely. Failure to appoint an Independent Third-Party Management Company within the time period set forth above shall be an Event of Default under the Indenture without benefit for any period for cure. The Trustee shall not incur any liability for the District's termination of the District Manager pursuant to this Section 709. For purposes of this Section 709 only, "District Manager" shall mean Kai Connected, LLC d/b/a Kai, a Delaware limited liability company, or any successor entity acting in the capacity of District Manager in which the Developer or any affiliate of the Developer has an ownership interest.

**Section 710. Notices.** Notwithstanding Section 1302 of the Master Indenture, all notices, approvals, consents, requests and any communications hereunder or under the Master Indenture must be in writing; provided that any communication sent to the Trustee hereunder or under the Master Indenture must be in the form of a document that is signed manually or by way of a digital signature provided by DocuSign (or such other digital signature provider as specified in writing to the Trustee by an Authorized Officer), in English. The District agrees to assume all risks arising out of the use of using digital signatures and electronic methods to submit communications to the Trustee, including without limitation the risk of the Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties.

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IN WITNESS WHEREOF, Lake Hideaway Community Development District has caused this Second Supplemental Indenture to be signed in its name and on its behalf by its Chairman, and its official seal to be hereunto affixed and attested by its Secretary, thereunto duly authorized, and to evidence its acceptance of the trusts hereby created, the Trustee has caused this Second Supplemental Indenture to be signed in its name and on its behalf by its duly authorized Vice President.

**EXHIBIT A**

**DESCRIPTION OF ASSESSMENT AREA TWO PROJECT**

[See Report of Consulting Engineer Attached Hereto]

**LAKE HIDEAWAY COMMUNITY DEVELOPMENT DISTRICT**

(SEAL)

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

Attest:

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

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

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

**EXHIBIT B  
FORM OF SERIES 2026 BONDS**

No. 2026R-

§1]

**UNITED STATES OF AMERICA  
STATE OF FLORIDA  
LAKE HIDEAWAY COMMUNITY DEVELOPMENT DISTRICT  
CAPITAL IMPROVEMENT REVENUE BOND, SERIES 2026  
(ASSESSMENT AREA TWO)**

<b>Interest Rate</b>	<b>Maturity Date</b>	<b>Dated Date</b>	<b>CUSIP</b>
%	May 1, 20[ ]	[Closing Date]	

**Registered Owner:** CEDE & CO.

**Principal Amount:**

LAKE HIDEAWAY COMMUNITY DEVELOPMENT DISTRICT, a community development district duly established and existing pursuant to Chapter 190, Florida Statutes (the "District"), for value received, hereby promises to pay (but only out of the sources hereinafter mentioned) to the registered Owner set forth above, or registered assigns, on the maturity date shown hereon, unless this Bond shall have been called for redemption in whole or in part and payment of the Redemption Price (as defined in the Indenture hereinafter mentioned) shall have been duly made or provided for, the principal amount shown above and to pay (but only out of the sources hereinafter mentioned) interest on the outstanding principal amount hereof from the most recent Interest Payment Date to which interest has been paid or provided for or, if no interest has been paid, from the Dated Date shown above on May 1 and November 1, 2026, of each year (each, an "Interest Payment Date"), commencing on November 1, 2026, until payment of said principal sum has been made or provided for, at the rate per annum set forth above. Notwithstanding the foregoing, if any Interest Payment Date is not a Business Day (as defined in the Indenture hereinafter mentioned), then all amounts due on such Interest Payment Date shall be payable on the first Business Day succeeding such Interest Payment Date, but shall be deemed paid on such Interest Payment Date. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in the Indenture (hereinafter defined), be paid to the registered Owner hereof at the close of business on the regular Record Date for such interest, which shall be the fifteenth (15<sup>th</sup>) day of the calendar month preceding such Interest Payment Date or, if such day is not a Business Day, on the Business Day immediately preceding such day; provided, however, that on or after the occurrence and continuance of an Event of Default under clause (a) of Section 902 of the Master Indenture (hereinafter defined), the payment of interest and principal or

Redemption Price or Amortization Installments shall be made by the Paying Agent (hereinafter defined) to such person who, on a special record date which is fixed by the Trustee, which shall be not more than fifteen (15) and not less than ten (10) days prior to the date of such proposed payment, appears on the registration books of the Bond Registrar as the registered Owner of this Bond. Any payment of principal, Amortization Installment or Redemption Price shall be made only upon presentation hereof at the designated corporate trust office of U.S. Bank Trust Company, National Association, located in Orlando, Florida, or any alternate or successor paying agent (collectively, the "Paying Agent"), unless the Bonds are held in the book-entry system in which case presentation shall not be required. Payment of interest shall be made by check or draft (or by wire transfer to the registered Owner set forth above if such Owner requests such method of payment in writing on or prior to the regular Record Date for the respective interest payment to such account as shall be specified in such request, but only if the registered Owner set forth above owns not less than \$1,000,000 in aggregate principal amount of the Series 2026 Bonds, as defined below). Interest on this Bond will be computed on the basis of a 360-day year comprised of twelve (12) thirty (30) day months. During any period that this Bond is registered in the name of Cede & Co., as Nominee of DTC, the provisions of the Supplemental Indenture (hereinafter defined) relating to the book-entry only system shall apply, including the payment provisions thereof. Capitalized terms used herein and not otherwise defined shall have the same meaning as set forth in the hereinafter defined Indenture.

This Bond is one of a duly authorized issue of Bonds of the District designated "Lake Hideaway Community Development District Capital Improvement Revenue Bonds, Series 2026 (Assessment Area Two)" in the aggregate principal amount of \$[Bond Amount] (the "Series 2026 Bonds") issued under a Master Trust Indenture, dated as of April 1, 2024 (the "Master Indenture"), between the District and U.S. Bank Trust Company, National Association, as trustee (the "Trustee"), as supplemented by a Second Supplemental Trust Indenture, dated as of July 1, 2026 (the "Supplemental Indenture" and together with the Master Indenture, the "Indenture"), between the District and the Trustee. The Series 2026 Bonds together with any other Bonds issued under and governed by the terms of the Master Indenture are hereinafter collectively referred to as the "Bonds." The District will apply the proceeds of the Series 2026 Bonds to (a) finance a portion of the Cost of acquiring, constructing and equipping assessable improvements comprising the Assessment Area Two Project, (b) pay certain costs associated with the issuance of the Series 2026 Bonds, (c) make a deposit into the Series 2026 Reserve Account to be held for the benefit of all of the Series 2026 Bonds, and (d) pay a portion of the interest to become due on the Series 2026 Bonds.

NEITHER THIS BOND NOR THE INTEREST AND PREMIUM, IF ANY, PAYABLE HEREON SHALL CONSTITUTE A GENERAL OBLIGATION OR GENERAL INDEBTEDNESS OF THE DISTRICT WITHIN THE MEANING OF THE CONSTITUTION AND LAWS OF FLORIDA. THIS BOND AND THE SERIES

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OF WHICH IT IS A PART AND THE INTEREST AND PREMIUM, IF ANY, PAYABLE HEREON AND THEREON DO NOT CONSTITUTE EITHER A PLEDGE OF THE FULL FAITH AND CREDIT OF THE DISTRICT OR A LIEN UPON ANY PROPERTY OF THE DISTRICT OTHER THAN AS PROVIDED IN THE INDENTURE. NO OWNER OR ANY OTHER PERSON SHALL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY AD VALOREM TAXING POWER OF THE DISTRICT OR ANY OTHER PUBLIC AUTHORITY OR GOVERNMENTAL BODY TO PAY DEBT SERVICE OR TO PAY ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE INDENTURE OR THE TERMS HEREOF. RATHER, DEBT SERVICE AND ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE INDENTURE OR THE TERMS HEREOF SHALL BE PAYABLE SOLELY FROM, AND SHALL BE SECURED SOLELY BY, THE SERIES 2026 PLEDGED REVENUES AND THE SERIES 2026 PLEDGED FUNDS PLEDGED TO THE SERIES 2026 BONDS, ALL AS PROVIDED HEREIN AND IN THE INDENTURE.

This Bond is issued under and pursuant to the Constitution and laws of the State of Florida, particularly Chapter 190, Florida Statutes, and other applicable provisions of law and pursuant to the Indenture, executed counterparts of which Indenture are on file at the corporate trust office of the Trustee. Reference is hereby made to the Indenture for the provisions, among others, with respect to the custody and application of the proceeds of Series 2026 Bonds issued under the Indenture, the collection and disposition of revenues and the funds charged with and pledged to the payment of the principal, Amortization Installments and Redemption Price of, and the interest on, the Series 2026 Bonds, the nature and extent of the security thereby created, the covenants of the District with respect to the levy and collection of Series 2026 Assessments, the terms and conditions under which the Series 2026 Bonds are or may be issued, the rights, duties, obligations and immunities of the District and the Trustee under the Indenture and the rights of the Owners of the Series 2026 Bonds and, by the acceptance of this Bond, the Owner hereof assents to all of the provisions of the Indenture. The Series 2026 Bonds are equally and ratably secured by the Series 2026 Trust Estate, without preference or priority of one Series 2026 Bond over another. The Supplemental Indenture does not authorize the issuance of any additional Bonds ranking on parity with the Series 2026 Bonds as to the lien and pledge of the Series 2026 Trust Estate and the Supplemental Indenture contains provisions limiting the imposition of capital Assessments on property subject to the Series 2026 Assessments.

The Series 2026 Bonds are issuable only as registered bonds without coupons in current interest form in Authorized Denominations. This Bond is transferable by the registered Owner hereof or his duly authorized attorney at the designated corporate trust office of the Trustee in Orlando, Florida, as Bond Registrar (the "Bond Registrar"), upon surrender of this Bond, accompanied by a duly executed instrument of transfer in form and with guaranty of signature reasonably satisfactory to the Bond Registrar, subject to such reasonable regulations as the

District or the Bond Registrar may prescribe, and upon payment of any taxes or other governmental charges incident to such transfer. Upon any such transfer a new Bond or Bonds, in the same aggregate principal amount as the Bond or Bonds transferred, will be issued to the transferee. At the corporate trust office of the Bond Registrar in Orlando, Florida, in the manner and subject to the limitations and conditions provided in the Master Indenture and without cost, except for any tax or other governmental charge, Bonds may be exchanged for an equal aggregate principal amount of Bonds of the same maturity, of Authorized Denominations and bearing interest at the same rate or rates.

The Series 2026 Bonds are subject to redemption prior to maturity at the option of the District in whole or in part on any date, on or after May 1, 20[ ], at the Redemption Price of the principal amount of the Series 2026 Bonds or portions thereof to be redeemed together with accrued interest to the date of redemption.

The Series 2026 Bond maturing May 1, 20[ ], is subject to mandatory redemption in part by the District by lot prior to its scheduled maturity from moneys in the Series 2026 Sinking Fund Account established under the Supplemental Indenture in satisfaction of applicable Amortization Installments at the Redemption Price of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

<b>May 1 of the Year</b>	<b>Amortization Installment</b>	<b>May 1 of the Year</b>	<b>Amortization Installment</b>
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\* Maturity

The Series 2026 Bond maturing May 1, 20[ ], is subject to mandatory redemption in part by the District by lot prior to its scheduled maturity from moneys in the Series 2026 Sinking Fund Account established under the Supplemental Indenture in satisfaction of applicable Amortization Installments at the Redemption Price of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

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May 1 of the Year	Amortization Installment	May 1 of the Year	Amortization Installment
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\* Maturity

The Series 2026 Bond maturing May 1, 20[ ], is subject to mandatory redemption in part by the District by lot prior to its scheduled maturity from moneys in the Series 2026 Sinking Fund Account established under the Supplemental Indenture in satisfaction of applicable Amortization Installments at the Redemption Price of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

May 1 of the Year	Amortization Installment	May 1 of the Year	Amortization Installment
----------------------	-----------------------------	----------------------	-----------------------------

\* Maturity

As more particularly set forth in the Indenture, any Series 2026 Bonds that are purchased by the District with amounts held to pay an Amortization Installment will be cancelled and the principal amount so purchased will be applied as a credit against the applicable Amortization Installment of Series 2026 Bonds. Amortization Installments are also subject to recalculation, as provided in the Supplemental Indenture, as the result of the redemption of Series 2026 Bonds other than from scheduled Amortization Installments so as to reamortize the remaining Outstanding principal balance of the Series 2026 Bonds as set forth in the Supplemental Indenture.

The Series 2026 Bonds are subject to extraordinary mandatory redemption prior to maturity in whole or in part on any Redemption Date at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the Redemption Date, if and to the extent that any one or more of the following shall have occurred:

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Pursuant to the Indenture, notice of optional redemption may be conditioned upon the occurrence or non-occurrence of such event or events or upon the later deposit of moneys therefor as shall be specified in such notice of optional redemption and may also be subject to rescission by the District if expressly set forth in such notice.

The Owner of this Bond shall have no right to enforce the provisions of the Indenture or to institute an action to enforce the covenants therein, or to take any action with respect to any Event of Default under the Indenture, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture.

In certain events, on the conditions, in the manner and with the effect set forth in the Indenture, the principal of all the Series 2026 Bonds then Outstanding under the Indenture may become and may be declared due and payable before the stated maturities thereof, with the interest accrued thereon.

Modifications or alterations of the Master Indenture or of any indenture supplemental thereto may be made only to the extent and in the circumstances permitted by the Master Indenture.

Any moneys held by the Trustee or any Paying Agent in trust for the payment and discharge of any Bond which remain unclaimed for two (2) years after the date when such Bond has become due and payable, either at its stated maturity date or by call for earlier redemption, if such moneys were held by the Trustee or any Paying Agent at such date, or for two (2) years after the date of deposit of such moneys if deposited with the Trustee or Paying Agent after the date when such Bond became due and payable, shall be paid to the District, and thereupon and thereafter no claimant shall have any rights against the Paying Agent to or in respect of such moneys.

If the District deposits or causes to be deposited with the Trustee cash or Federal Securities sufficient to pay the principal or Redemption Price of any Series 2026 Bonds becoming due at maturity or by call for redemption in the manner set forth in the Indenture, together with the interest accrued to the due date, the lien of the Series 2026 Bonds as to the Series 2026 Trust Estate shall be discharged, except for the rights of the Owners thereof with respect to the funds so deposited as provided in the Indenture.

This Bond shall have all the qualities and incidents, including negotiability, of investment securities within the meaning and for all the purposes of the Uniform Commercial Code of the State of Florida.

This Bond is issued with the intent that the laws of the State of Florida shall govern its construction.

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(a) on or after the Date of Completion of the Assessment Area Two Project, by application of moneys transferred from the Series 2026 Acquisition and Construction Account to the Series 2026 Prepayment Subaccount as provided for in the Indenture; or

(b) from amounts, including Series 2026 Prepayments, required by the Indenture to be deposited into the Series 2026 Prepayment Subaccount; or

(c) from amounts transferred from the Series 2026 Reserve Account to the Series 2026 Prepayment Subaccount resulting from a reduction in the Series 2026 Reserve Account Requirement as provided for in the Indenture; or

(d) on the date on which the amount on deposit in the Series 2026 Reserve Account, together with other moneys available therefor, is sufficient to pay and redeem all of the Series 2026 Bonds then Outstanding, including accrued interest thereon.

If less than all of the Series 2026 Bonds shall be called for redemption, the particular Series 2026 Bonds or portions of Series 2026 Bonds to be redeemed shall be selected by lot by the Bond Registrar as provided in the Indenture, or as provided or directed by DTC.

Notice of each redemption of Series 2026 Bonds is required to be mailed by the Bond Registrar, postage prepaid, not less than thirty (30) nor more than forty-five (45) days prior to the date of redemption to each registered Owner of Series 2026 Bonds to be redeemed at the address of such registered Owner recorded on the bond register maintained by the Bond Registrar. On the date designated for redemption, notice having been given and money for the payment of the Redemption Price being held by the Paying Agent, all as provided in the Indenture, the Series 2026 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 2026 Bonds or such portions thereof on such date, interest on such Series 2026 Bonds or such portions thereof so called for redemption shall cease to accrue, such Series 2026 Bonds or such portions thereof so called for redemption shall cease to be entitled to any benefit or security under the Indenture and the Owners thereof shall have no rights in respect of such Series 2026 Bonds or such portions thereof so called for redemption except to receive payments of the Redemption Price thereof so held by the Paying Agent. Further notice of redemption shall be given by the Bond Registrar to certain registered securities depositories and information services as set forth in the Indenture, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed.

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All acts, conditions and things required by the Constitution and laws of the State of Florida and the resolutions of the District to happen, exist and be performed precedent to and in the issuance of this Bond and the execution of the Indenture, have happened, exist and have been performed as so required. This Bond shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Indenture until it shall have been authenticated by the execution by the Trustee of the Certificate of Authentication endorsed hereon.

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IN WITNESS WHEREOF, Lake Hideaway Community Development District has caused this Bond to bear the signature of the Chairman of its Board of Supervisors and the official seal of the District to be impressed or imprinted hereon and attested by the signature of the Secretary to the Board of Supervisors.

Attest: LAKE HIDEAWAY COMMUNITY DEVELOPMENT DISTRICT

Secretary By: Chairman, Board of Supervisors

(SEAL)

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds of the Series designated herein, described in the within-mentioned Indenture.

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

Date of Authentication: By: Vice President [Closing Date]

CERTIFICATE OF VALIDATION

This Bond is one of a Series of Bonds which were validated by judgment of the Fifth Judicial Circuit of Florida, in and for Hernando County rendered on February 17, 2022.

Chairman, Board of Supervisors, Lake Hideaway Community Development District

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[FORM OF ABBREVIATIONS]

The following abbreviations, when used in the inscription on the face of the within Bond, shall be construed as though they were written out in full according to applicable laws or regulations.

TEN COM as tenants in common

TEN ENT as tenants by the entireties

JT TEN as joint tenants with the right of survivorship and not as tenants in common

UNIFORM TRANSFER MIN ACT - Custodian under Uniform Transfer to Minors Act (Cust.) (Minor) (State)

Additional abbreviations may also be used though not in the above list.

[FORM OF ASSIGNMENT]

For value received, the undersigned hereby sells, assigns and transfers unto the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints attorney to transfer the said Bond on the books of the District, with full power of substitution in the premises.

Dated:

Social Security Number or Employer:

Identification Number of Transferee:

Signature guaranteed:

NOTICE: Signature(s) must be guaranteed by an institution which is a participant in the Securities Transfer Agent Medallion Program (STAMP) or similar program.

NOTICE: The assignor's signature to this Assignment must correspond with the name as it appears on the face of the within Bond in every particular without alteration or any change whatsoever.

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EXHIBIT C

FORM OF REQUISITION FOR ASSESSMENT AREA TWO PROJECT

The undersigned, an Authorized Officer of Lake Hideaway Community Development District (the "District") hereby submits the following requisition for disbursement under and pursuant to the terms of the Master Trust Indenture between the District and U.S. Bank Trust Company, National Association, Orlando, Florida, as trustee (the "Trustee"), dated as of April 1, 2024 (the "Master Indenture"), as supplemented by the Second Supplemental Trust Indenture between the District and the Trustee, dated as of July 1, 2026 (the "Supplemental Indenture" and together with the Master Indenture, the "Indenture") (all capitalized terms used herein shall have the meaning ascribed to such term in the Indenture):

(A) Requisition Number:

(B) Name of Payee:

(C) Amount Payable:

(D) Purpose for which paid or incurred (refer also to specific contract if amount is due and payable pursuant to a contract involving progress payments or state costs of issuance, if applicable):

(E) Fund or Account and subaccount, if any, from which disbursement to be made:

The undersigned hereby certifies that:

obligations in the stated amount set forth above have been incurred by the District, that each disbursement set forth above is a proper charge against the Series 2026 Acquisition and Construction Account referenced above, that each disbursement set forth above was incurred in connection with the acquisition and/or construction of the Assessment Area Two Project and each represents a Cost of the Assessment Area Two Project that has not previously been paid out of such Account;

OR

this requisition is for costs of issuance payable from the Series 2026 Costs of Issuance Account that has not previously been paid out of such Account.

The undersigned hereby further certifies that there has not been filed with or served upon the District notice of any lien, right to lien, or attachment upon, or claim affecting the right to receive payment of, any of the moneys payable to the

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Payee set forth above, which has not been released or will not be released simultaneously with the payment hereof.

The undersigned hereby further certifies that such requisition contains no item representing payment on account of any retained percentage which the District is at the date of such certificate entitled to retain.

Originals or copies of the invoice(s) from the vendor of the property acquired or services rendered with respect to which disbursement is hereby requested are on file with the District.

**LAKE HIDEAWAY COMMUNITY  
DEVELOPMENT DISTRICT**

By: \_\_\_\_\_  
Authorized Officer

**CONSULTING ENGINEER'S APPROVAL FOR  
NON-COST OF ISSUANCE REQUESTS ONLY**

If this requisition is for a disbursement from other than the Series 2026 Costs of Issuance Account, the undersigned Consulting Engineer hereby certifies that this disbursement is for a Cost of the Assessment Area Two Project and is consistent with (a) the applicable acquisition or construction contract, (b) the plans and specifications for the portion of the Assessment Area Two Project with respect to which such disbursement is being made, and (c) the report of the Consulting Engineer attached as an exhibit to the Supplemental Indenture, as such report shall have been amended or modified on the date hereof.

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

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I represent the following securities to be suitable for my investment objectives. A Copy of the offering document for the following security has been provided to me and I am aware that additional copies and other information may be found online at [www.fmsbonds.com](http://www.fmsbonds.com) and [www.emma.msrb.org](http://www.emma.msrb.org).

Description \_\_\_\_\_  
CUSIP \_\_\_\_\_  
Rate \_\_\_\_\_  
Maturity \_\_\_\_\_  
Rating \_\_\_\_\_

Thank you,

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

**EXHIBIT D  
FORM OF INVESTOR LETTER**

[Date]

FMSbonds, Inc.  
The FMSbonds Building  
4775 Technology Way  
Boca Raton, Florida 33431

Re: FMSbonds Account Number \_\_\_\_\_

To Whom it May Concern:

By signing this letter, I confirm that I have the authority to act on behalf of the above referenced account and this account meets the definition of an accredited investor based upon one or more of the criteria listed below. Federal securities laws define an accredited investor in Rule 501 of Regulation D as:

1. A bank, insurance company, registered investment company, business development company, or small business investment company;
2. An employee benefit plan, within the meaning of the Employee Retirement Income Security Act, if a bank, insurance company, or registered investment adviser makes the investment decisions, or if the plan has total assets in excess of \$5 million;
3. A charitable organization, corporation, or partnership with assets exceeding \$5 million;
4. A director, executive officer, or general partner of the company selling the securities;
5. A business in which all the equity owners are accredited investors;
6. A natural person who has individual net worth, or joint net worth with the person's spouse, that exceeds \$1 million at the time of the purchase, excluding the value of the primary residence of such person;
7. A natural person with income exceeding \$200,000 in each of the two most recent years or joint income with a spouse exceeding \$300,000 for those years and a reasonable expectation of the same income level in the current year; or
8. A trust with assets in excess of \$5 million, not formed to acquire the securities offered, whose purchases a sophisticated person makes.

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**APPENDIX D**

**FORM OF OPINION OF BOND COUNSEL**

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**FORM OF OPINION OF NABORS, GIBLIN & NICKERSON, P.A.,  
WITH RESPECT TO THE SERIES 2026 BONDS**

Upon delivery of the Series 2026 Bonds in definitive form, Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Bond Counsel, proposes to render its opinion with respect to the Series 2026 Bonds in substantially the following form:

(Date of Closing)

Board of Supervisors  
Lake Hideaway Community  
Development District

Board Members:

We have examined a record of proceedings relating to the issuance by the Lake Hideaway Community Development District (the "District") of its \$[Bond Amount] Capital Improvement Revenue Bonds, Series 2026 (Assessment Area Two) (the "Series 2026 Bonds"). The Series 2026 Bonds are issued under the authority of the laws of the State of Florida, including Chapter 190, Florida Statutes (the "Act") and other applicable provisions of law, and pursuant to a Master Trust Indenture, dated as of April 1, 2024 (the "Master Indenture"), as supplemented by a Second Supplemental Trust Indenture, dated as of July 1, 2026 (the "Supplemental Indenture" and together with the Master Indenture, the "Indenture"), each between the District and U.S. Bank Trust Company, National Association, as trustee (the "Trustee") and Resolution Nos. 2022-24 and 2026-04 adopted by the Board of Supervisors of the District on November 16, 2021 and March 20, 2026, respectively (collectively, the "Bond Resolution"). Capitalized terms used and not otherwise defined herein shall have the meanings ascribed thereto in the Indenture.

The Series 2026 Bonds are dated and shall bear interest from their date of delivery, except as otherwise provided in the Indenture. The Series 2026 Bonds will mature on the dates and in the principal amounts and will bear interest at the respective rates per annum, as provided in the Indenture and set forth in the Bond Purchase Contract executed in connection with the sale of the Series 2026 Bonds (the "Purchase Contract"). Interest on the Series 2026 Bonds shall be payable on each May 1 and November 1, commencing November 1, 2026. The Series 2026 Bonds are subject to redemption prior to maturity in accordance with the Indenture and as set forth in the Purchase Contract.

The Series 2026 Bonds are issued for the principal purposes of (a) financing a portion of the Cost of acquiring, constructing and equipping assessable

improvements comprising the Assessment Area Two Project, (b) paying certain costs associated with the issuance of the Series 2026 Bonds, (c) making a deposit into the Series 2026 Reserve Account to be held for the benefit of all of the Series 2026 Bonds, and (d) paying a portion of the interest to become due on the Series 2026 Bonds, all as more particularly described in the Indenture. The Series 2026 Bonds are payable from and secured by the Series 2026 Assessments levied on property within the District specially benefitted by the assessable improvements financed with the proceeds of the Series 2026 Bonds and also by the Series 2026 Pledged Revenues and Series 2026 Pledged Funds comprising the Series 2026 Trust Estate.

As to questions of fact material to our opinion, we have relied upon the representations of the District contained in the Bond Resolution and the Indenture and in the certified proceedings relating thereto and to the issuance of the Series 2026 Bonds and other certifications of public officials furnished to us in connection therewith including, but not limited to, the Final Judgment issued by the Circuit Court of the Fifth Judicial Circuit in and for Hernando County, Florida, in connection with the validation of the Series 2026 Bonds, without undertaking to verify the same by independent investigation. Furthermore, we have assumed continuing compliance with the covenants and agreements contained in the Indenture. We have not undertaken an independent audit, examination, investigation or inspection of the matters described or contained in any agreements, documents, certificates, representations and opinions relating to the Series 2026 Bonds, and have relied solely on the facts, estimates and circumstances described and set forth therein. In our examination of the foregoing, we have assumed the genuineness of signatures on all documents and instruments, the authenticity of documents submitted as originals and the conformity to originals of documents submitted as copies.

Based on the foregoing, under existing law, we are of the opinion that:

1. The District is a duly created and validly existing community development district under the Act.
2. The District has the right and power under the Act to authorize, execute and deliver the Indenture, and the Indenture has been duly and lawfully authorized, executed and delivered by the District, is in full force and effect in accordance with its terms and is valid and binding upon the District and enforceable in accordance with its terms. The Indenture creates the valid pledge which it purports to create of the Series 2026 Trust Estate in favor of the Series 2026 Bonds, including the Series 2026 Assessments, in the manner and to the extent provided in the Indenture.
3. The District is duly authorized and entitled to issue the Series 2026 Bonds and the Series 2026 Bonds have been duly and validly authorized and issued by the District in accordance with the Constitution and laws of the State of Florida,

the Bond Resolution and the Indenture. The Series 2026 Bonds constitute valid and binding obligations of the District as provided in the Indenture and are enforceable in accordance with their terms and the terms of the Indenture and are entitled to the benefits of the Indenture and the Act. The Series 2026 Bonds do not constitute a general indebtedness of the District or the State of Florida or any agency, department or political subdivision thereof, or a pledge of the faith and credit of such entities, but are solely payable from the Series 2026 Trust Estate in the manner and to the extent provided in the Indenture. No holder of the Series 2026 Bonds shall ever have the right to compel the exercise of any ad valorem taxing power of the District or the State of Florida or any political subdivision, agency or department thereof to pay the Series 2026 Bonds.

4. Under existing statutes, regulations, rulings and court decisions, the interest on the Series 2026 Bonds (a) is excluded from gross income for federal income tax purposes and (b) is not an item of tax preference for purposes of the federal alternative minimum tax; provided, however, with respect to certain corporations, interest on the Series 2026 Bonds is taken into account in determining the annual adjusted financial statement income for the purpose of computing the alternative minimum tax imposed on such corporations. The opinions set forth in this paragraph are subject to the condition that the District comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Series 2026 Bonds in order that interest thereon be (or continues to be) excluded from gross income for federal income tax purposes. Failure to comply with certain of such requirements could cause the interest on the Series 2026 Bonds to be so included in gross income retroactive to the date of issuance of the Series 2026 Bonds. The District has covenanted in the Indenture to comply with all such requirements. Ownership of the Series 2026 Bonds may result in collateral federal tax consequences to certain taxpayers. We express no opinion regarding such federal tax consequences arising with respect to the Series 2026 Bonds.

5. The Series 2026 Bonds and interest thereon are exempt from taxation under the laws of the State of Florida, except as to estate taxes and taxes imposed by Chapter 220, Florida Statutes, on interest, income or profits on debt obligations owned by corporations, as defined in said Chapter 220.

It should be noted that, except as may expressly be set forth in an opinion delivered by us to the underwriter for the Series 2026 Bonds on the date hereof (on which opinion only it may rely) or in our Disclosure Counsel opinion to the District, we have not been engaged or undertaken to review (1) the accuracy, completeness or sufficiency of the Limited Offering Memorandum or other offering material relating to the Series 2026 Bonds and we express no opinion relating thereto, or (2) the compliance with any federal or state law with regard to the sale or distribution of the Series 2026 Bonds and we express no opinion relating thereto.

The opinions expressed in paragraphs 2 and 3 hereof are qualified to the extent that (1) the enforceability of the Indenture and the Series 2026 Bonds, respectively, may be limited by any applicable bankruptcy, insolvency, moratorium, reorganization or other similar laws affecting creditors' rights generally, or by the exercise of judicial discretion in accordance with general principles of equity, and (2) we have assumed the due authorization, execution and delivery of the Indenture by the Trustee.

The opinions set forth herein are expressly limited to, and we opine only with respect to, the laws of the State of Florida and the federal income tax laws of the United States of America. The only opinions rendered hereby shall be those expressly stated as such herein, and no opinion shall be implied or inferred as a result of anything contained herein or omitted herefrom.

This opinion is given as of the date hereof and we assume no obligation to update, revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

We have examined the form of the Series 2026 Bonds and, in our opinion, the form of the Series 2026 Bonds is regular and proper.

Very truly yours,

**APPENDIX E**

**FORM OF CONTINUING DISCLOSURE AGREEMENT**

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## CONTINUING DISCLOSURE AGREEMENT

This **CONTINUING DISCLOSURE AGREEMENT** (the "**Disclosure Agreement**") dated as of [Closing Date], is executed and delivered by **LAKE HIDEAWAY COMMUNITY DEVELOPMENT DISTRICT** (the "**District**"), **HAWK LAKE HIDEAWAY, LLC**, a Delaware limited liability company (the "**Developer**"), and **KAI CONNECTED, LLC D/B/A KAI** (the "**Dissemination Agent**") in connection with the issuance by the District of its \$[Bond Amount] Capital Improvement Revenue Bonds, Series 2026 (Assessment Area Two) (the "**Bonds**"). The Bonds are being issued pursuant to a Master Trust Indenture, dated as of April 1, 2024, as supplemented by a Second Supplemental Trust Indenture, dated as of July 1, 2026 (together, the "**Indenture**"), each between the District and U.S. Bank Trust Company, National Association, as trustee (the "**Trustee**"). The District, the Developer and the Dissemination Agent covenant and agree as follows:

**1. Purpose of the Disclosure Agreement.** This Disclosure Agreement is being executed and delivered by the District, the Developer and the Dissemination Agent for the benefit of the Beneficial Owners (hereinafter defined) of the Bonds, from time to time, and to assist the Participating Underwriter (hereinafter defined) in complying with the applicable provisions of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission ("**SEC**") pursuant to the Securities Exchange Act of 1934, as amended from time to time (the "**Rule**").

The District, the Developer and the Dissemination Agent 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 or a governmental regulatory agency that the Rule requires the District, the Developer or the Dissemination Agent (as the case may be) to provide additional information, the District, the Developer and the Dissemination Agent, as applicable, agree to promptly provide such additional information.

The provisions of this Disclosure Agreement are supplemental and in addition to the provisions of the Indenture with respect to reports, filings and notifications provided for therein, and do not in any way relieve the District, 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 District, the Trustee or any other person from making any reports, filings or notifications required by the Indenture or any applicable law.

**2. Definitions.** In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined herein, the following capitalized terms shall have the following meanings:

**"Annual Filing Date"** shall mean the date set forth in Section 4(a) hereof by which the Annual Report is to be filed with the Repository.

**"Annual Financial Information"** shall mean annual financial information as such term is used in paragraph (b)(5)(i)(A) of the Rule and specified in Section 3(a) hereof.

**"Annual Report"** shall mean any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4 hereof.

**"Assessments"** shall mean the non-ad valorem special assessments pledged to the payment of the Bonds pursuant to the Indenture.

**"Audited Financial Statements"** shall mean the financial statements (if any) of the District for the applicable 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)(B) of the Rule and specified in Section 3(a) hereof.

**"Audited Financial Statements Filing Date"** shall mean the date under State law by which a unit of local government must file its Audited Financial Statements with the State, which as of the date hereof is nine (9) months after the end of the Fiscal Year of such unit of local government, including the District.

**"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 Bond for federal income tax purposes.

**"Business Day"** shall mean a day other than (a) a Saturday, Sunday or day on which banks located in the city in which the designated corporate trust office of the Trustee and Paying Agent 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.

**"Development"** shall have the meaning ascribed to such term in the Limited Offering Memorandum.

**"Disclosure Representative"** shall mean (a) as to the District, the District Manager or its designee, or such other person as the District shall designate in writing to the Trustee and the Dissemination Agent from time to time as the person responsible for providing information to the Dissemination Agent, (b) as to the Developer, the individual(s) executing this Disclosure Agreement on behalf of the Developer or such person(s) as the Developer shall designate in writing to the Trustee and the Dissemination Agent from time to time as the person(s) responsible for providing information to the Dissemination Agent, and (c) as to any Obligated Person other than the Developer, such person(s) as the Obligated Person shall designate in writing to the Trustee and the Dissemination Agent from time to time as the person(s) responsible for providing information to the Dissemination Agent.

**"Dissemination Agent"** shall mean the District or an entity appointed by the District to act in the capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the District pursuant to Section 10 hereof. Kai Connected, LLC d/b/a Kai has been designated as the initial Dissemination Agent hereunder.

**"District Manager"** shall mean the person or entity serving as District Manager from time to time. As of the date hereof, Kai Connected, LLC d/b/a Kai is the District Manager.

**"EMMA"** shall mean the Electronic Municipal Market Access system as described in 1934 Act Release No. 59062 and maintained by the MSRB for purposes of the Rule.

**"Event of Bankruptcy"** shall be considered to have occurred when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an 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 Obligated Person, or if such jurisdiction has been assumed by leaving the existing governmental 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 Obligated Person.

**"Financial Obligation"** shall mean (a) a debt obligation, (b) a 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) a guarantee of either (a) or (b). The term Financial Obligation does not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

**"Fiscal Year"** shall mean the fiscal year of the District, which is 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 Limited Offering Memorandum dated [BPA Date], prepared in connection with the issuance of the Bonds.

**"Listed Event"** shall mean any of the events listed in Section 7(a) hereof.

**"MSRB"** shall mean the Municipal Securities Rulemaking Board.

**"MSRB Website"** shall mean [www.emma.msrb.org](http://www.emma.msrb.org).

**"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 any portion of the obligations on the Bonds (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities), which person(s) shall include the District and the Developer.

**"Owners"** shall have the meaning ascribed thereto in the Indenture with respect to the Bonds and shall include Beneficial Owners of the Bonds.

**"Participating Underwriter"** shall mean FMSbonds, Inc., in its capacity as the original underwriter of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

**"Quarterly Filing Date"** shall mean the dates set forth in Section 6(a) hereof by which Quarterly Reports are required to be filed with the Repository.

**"Quarterly Report"** shall mean any Quarterly Report provided by the Developer or any Obligated Person, its successors or assigns pursuant to, and as described in, Sections 5 and 6 hereof.

**"Repository"** shall mean each entity authorized and approved by the SEC 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 [www.sec.gov/municipal/nrmsir](http://www.sec.gov/municipal/nrmsir). As of the date hereof, the Repository recognized by the SEC for such purpose is the MSRB, which currently accepts continuing disclosure submissions through the MSRB Website.

"State" shall mean the State of Florida.

**3. Content of Annual Reports.**

(a) The Annual Report shall contain or incorporate by reference Annual Financial Information with respect to the District, which includes an update of the financial and operating data of the District to the extent presented in the Limited Offering Memorandum, including:

- (i) the amount of Assessments levied for the most recent prior Fiscal Year;
- (ii) the amount of Assessments collected from property owners during the most recent prior Fiscal Year;
- (iii) if available, the amount of delinquencies greater than 150 calendar days and, in the event that delinquencies amount to more than ten percent (10%) of the amount of Assessments due in any year, a list of delinquent property owners;
- (iv) if available, the amount of tax certificates sold for lands within the District subject to the Assessments, if any, and the balance, if any, remaining for sale from the most recent prior Fiscal Year;
- (v) the balances in all Funds and Accounts for the Bonds. Upon request, the District shall provide any Owners and the Dissemination Agent with this information more frequently than annually and, in such cases, within thirty (30) calendar days of the date of any written request from the Owners or the Dissemination Agent;
- (vi) the total amount of Bonds Outstanding;
- (vii) the amount of principal and interest due on the Bonds in the current Fiscal Year;
- (viii) the most recent Audited Financial Statements of the District, unless such Audited Financial Statements have not yet been prepared, in which case unaudited financial statements shall be included in a format similar to the Audited Financial Statements; and
- (ix) any amendment or waiver of the provisions hereof as described in Section 11 hereof.

(b) To the extent any of the items set forth in subsections (i) through (vii) above are included in the Audited Financial Statements referred to in subsection (viii) above, they do not have to be separately set forth. Any or all of the items listed above may be incorporated by specific reference to documents available to the public on the MSRB Website or filed with

the SEC, including offering documents of debt issues of the District or related public entities, which have been submitted to the Repository. The District shall clearly identify any document incorporated by reference.

(c) The District and the Disclosure Representative of the District represent and warrant that they will supply, in a timely fashion, any information available to the District or the Disclosure Representative of the District and 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 acknowledges and agrees that the information to be collected and disseminated by the Dissemination Agent will be provided by the District, the Disclosure Representative of the District 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, the Disclosure Representative of the District or others as thereafter disseminated by the Dissemination Agent.

(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.

#### **4. Provision of Annual Reports.**

(a) Subject to the following sentence, the District shall provide the Annual Report to the Dissemination Agent no later than March 30<sup>th</sup> after the close of the Fiscal Year (the "**Annual Filing Date**"), commencing with the Fiscal Year ending September 30, 2026, in an electronic format as prescribed by the Repository. 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 3(a) hereof; provided that the Audited Financial Statements may be submitted separately from the balance of the Annual Report and later than the date required above, but in no event later than the Audited Financial Statements Filing Date, if they are not available by the Annual Filing Date. If the Audited Financial Statements are not available at the time of the filing of the Annual Report, unaudited financial statements are required to be delivered as part of the Annual Report in a format similar to the Audited Financial Statements. If the District's Fiscal Year changes, the District shall give notice of such change in the same manner as for a Listed Event under Section 7(a). [The District shall file a copy of its Audited Financial Statements for the Fiscal Year ended September 30, 2025 on or before June 30, 2026.] The Dissemination Agent shall immediately file the Annual Report or Audited Financial Statements, as applicable, upon receipt from the District with each Repository.

(b) If on the fifteenth (15<sup>th</sup>) calendar day prior to each Annual Filing Date and/or Audited Financial Statements Filing Date, 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 of the District by telephone and in writing (which may be by e-mail) to remind the District of its undertaking to provide the Annual Report or Audited Financial Statements, as applicable, pursuant to Section 4(a) above. Upon such reminder, the Disclosure Representative of the District shall either (i) provide the Dissemination Agent with an electronic copy of the Annual Report or Audited Financial Statements, as applicable, in accordance with Section 4(a) above, or (ii) instruct the

Dissemination Agent in writing that the District will not be able to file the Annual Report or Audited Financial Statements, as applicable, within the time required under this Disclosure Agreement, state the date by which the Annual Report or Audited Financial Statements, as applicable, for such year will be provided and instruct the Dissemination Agent that a Listed Event as described in Section 7(a)(xv) has occurred and to immediately send a notice to any Repository in electronic format as required by such Repository in substantially the form attached as Exhibit A hereto.

- (c) The Dissemination Agent shall:
  - (i) determine each year prior to the date for providing the Annual Report or Audited Financial Statements, as applicable, the name, address and filing requirements of any Repository; and
  - (ii) promptly upon fulfilling its obligations under subsection (a) above, file a notice with the District certifying that the Annual Report or Audited Financial Statements, as applicable, has been provided pursuant to this Disclosure Agreement, stating the date(s) it was provided and listing any Repository to which it was provided.

**5. Content of Quarterly Reports.**

(a) Each Quarterly Report shall contain an update of the following information to the extent available with respect to the Development only:

- (i) The number of lots planned.

Lot Ownership Information

- (ii) The number of lots owned by the Developer.
- (iii) The number of lots owned by the Builder(s).
- (iv) The number of lots owned by homebuyers.

Lot Status Information

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

Home Sales Status Information

- (vii) The number of homes sold (but not closed) with homebuyers, during quarter.
- (viii) The number of homes sold (and closed) with homebuyers, during quarter.
- (ix) The total number of homes sold and closed with homebuyers (cumulative).

### Material Changes/Transfers

(x) Material changes to any of the following: (1) builder contracts, if applicable, (2) the number of lots planned to be developed, (3) permits/approvals, and (4) existing mortgage debt of the Obligated Person or the incurrence of new mortgage debt by the Obligated Person since the date hereof.

(xi) Any sale, assignment or transfer of ownership of lands by the Obligated Person to a third party which will in turn become an Obligated Person hereunder.

(b) Any of the items listed in subsection (a) above may be incorporated by reference from other documents which are available to the public on the MSRB Website or filed with the SEC. The Developer shall clearly identify each such other document so incorporated by reference.

(c) The Developer and the Disclosure Representative of the Developer each represent and warrant 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 Developer acknowledges and agrees that the information to be collected and disseminated by the Dissemination Agent will be provided by the Developer, the Disclosure Representative of the Developer 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 Developer, the Disclosure Representative of the Developer or others as thereafter disseminated by the Dissemination Agent.

(d) If the Developer sells, assigns or otherwise transfers ownership of real property in the Development subject to the Assessments 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 Developer hereby agrees to require such third party to assume the disclosure obligations of the Developer 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. The Developer involved in such Transfer shall promptly notify the District and the Dissemination Agent in writing of the Transfer. For purposes of Sections 5, 6, 7 and 9 hereof, the term "**Developer**" shall be deemed to include each of the Developer and any third party that becomes an Obligated Person hereunder as a result of a Transfer. In the event that the Developer remains an Obligated Person hereunder following any Transfer, nothing herein shall be construed to relieve the Developer from its obligations hereunder.

### **6. Provision of Quarterly Reports.**

(a) The Developer, so long as it is an Obligated Person for purposes of this Disclosure Agreement, shall provide a Quarterly Report to the Dissemination Agent no later than February 1 (for each calendar quarter ending December 31), May 1 (for each calendar quarter ending March 31), August 1 (for each calendar quarter ending June 30), and November 1 (for each calendar quarter ending September 30) after the end of each calendar quarter, commencing November 1, 2026, for the calendar quarter ending September 30, 2026; provided, however, that so long as the Developer is a reporting company, such dates shall be extended to the date of filing of its respective 10-K or 10-Q, if later, as the case may be (each,

a "**Quarterly Filing Date**"). At such time as the Developer is no longer an Obligated Person, the Developer will no longer be obligated to prepare any Quarterly Report pursuant to this Disclosure Agreement. The Dissemination Agent shall immediately file the Quarterly Report upon receipt from the Developer with each Repository.

(b) If on the seventh (7<sup>th</sup>) calendar day prior to each Quarterly Filing Date the Dissemination Agent has not received a copy of the Quarterly Report due on such Quarterly Filing Date, the Dissemination Agent shall contact the Disclosure Representative of the Developer by telephone and in writing (which may be by e-mail) to remind the Developer of its undertaking to provide the Quarterly Report pursuant to Section 6(a) above. Upon such reminder, the Disclosure Representative of the Developer shall either (i) provide the Dissemination Agent with an electronic copy of the Quarterly Report in accordance with Section 6(a) above, or (ii) instruct the Dissemination Agent in writing that the Developer will not be able to file the Quarterly Report within the time required under this Disclosure Agreement and state the date by which such Quarterly Report will be provided. If the Dissemination Agent has not received a Quarterly Report that contains the information in Section 5 of this Disclosure Agreement by the Quarterly Filing Date, a Listed Event described in Section 7(a)(xv) shall have occurred and the District and the Developer hereby direct the Dissemination Agent to immediately send a notice to each Repository in electronic format as required by such Repository, no later than the following Business Day in substantially the form attached as Exhibit A hereto, with a copy to the District.

(c) The Dissemination Agent shall:

(i) determine prior to each Quarterly Filing Date the name, address and filing requirements of each Repository; and

(ii) promptly upon fulfilling its obligations under subsection (a) above, file a notice with the Developer and the District certifying that the Quarterly Report has been provided pursuant to this Disclosure Agreement, stating the date(s) it was provided and listing any Repository to which it was provided.

## **7. Reporting of Significant Events.**

(a) Pursuant to the provisions of this Section 7, the District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds and the Developer shall give, or cause to be given, notice of the occurrence of items (x), (xii), (xiii), (xv), (xvi), (xvii) and (xviii) of the following events to the Dissemination Agent in writing in sufficient time in order to allow the Dissemination Agent to file notice of the occurrence of such Listed Event in a timely manner not in excess of ten (10) Business Days after the occurrence of the event, with the exception of the event described in item (xv) below, which notice shall be given in a timely manner:

(i) principal and interest payment delinquencies;

(ii) non-payment related defaults, if material;

(iii) unscheduled draws on debt service reserves reflecting financial difficulties;

- (iv) unscheduled draws on credit enhancements reflecting financial difficulties\*;
- (v) substitution of credit or liquidity providers, or their failure to perform\*;
- (vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (vii) modifications to rights of the holders of the Bonds, if material;
- (viii) bond calls, if material, and tender offers;
- (ix) defeasances;
- (x) release, substitution, or sale of property securing repayment of the Bonds, if material;
- (xi) ratings changes†;
- (xii) an Event of Bankruptcy or similar event of an Obligated Person;
- (xiii) the consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of an Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (xv) notice of any failure on the part of the District to meet the requirements of Sections 3 and 4 hereof or of the Developer to meet the requirements of Sections 5 and 6 hereof;
- (xvi) termination of the District's or the Developer's obligations under this Disclosure Agreement prior to the final maturity of the Bonds, pursuant to Section 9 hereof;
- (xvii) incurrence of a Financial Obligation of the District or Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the District or Obligated Person, any of which affect security holders, if material;

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\* There is no credit enhancement for the Bonds as of the date hereof.

† The Bonds are not rated as of the date hereof.

(xviii) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the District or Obligated Person, any of which reflect financial difficulties;

(xix) occurrence of an Event of Default under the Indenture (other than as described in clause (i) above);

(xx) any amendment to the Indenture or this Disclosure Agreement modifying the rights of the Owners of the Bonds; and

(xxi) any amendment to the accounting principles to be followed by the District in preparing its financial statements, as required by Section 11 hereof.

(b) The notice required to be given in Section 7(a) above shall be filed with any Repository, in electronic format as prescribed by such Repository.

**8. Identifying Information.** In accordance with the Rule, all disclosure filings submitted pursuant to this Disclosure Agreement to any Repository must be accompanied by identifying information as prescribed by the Repository. Such information may include, but not be limited to: (a) the category of information being provided; (b) the period covered by any Annual Financial Information, financial statement or other financial information or operating data; (c) the issues or specific securities to which such documents are related (including CUSIP numbers, issuer name, state, issue description/securities name, dated date, maturity date, and/or coupon rate); (d) the name of any Obligated Person other than the District; (e) the name and date of the document being submitted; and (f) contact information for the submitter.

**9. Termination of Disclosure Agreement.** The District's obligations hereunder shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds, so long as there is no remaining liability of the District for payment of the Bonds, or if the Rule is repealed or no longer in effect. The Developer's obligations hereunder shall terminate at the earlier of the legal defeasance, prior redemption or payment in full of all of the Bonds, or at such time as the Developer is no longer an Obligated Person. If any such termination occurs prior to the final maturity of the Bonds, the District and/or the Developer shall give notice of such termination in the same manner as for a Listed Event under Section 7.

**10. Dissemination Agent.** The District will either serve as the Dissemination Agent or appoint one under this Disclosure Agreement. Upon termination of the Dissemination Agent's services as Dissemination Agent, whether by notice of the District or the Dissemination Agent, the District agrees to appoint a successor Dissemination Agent or, alternatively, agrees to assume all responsibilities of the Dissemination Agent under this Disclosure Agreement for the benefit of the Owners 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 District 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 Kai Connected, LLC d/b/a Kai. The acceptance of such designation is evidenced by the execution of this Disclosure Agreement by a duly authorized signatory of Kai Connected, LLC d/b/a Kai. Kai Connected, LLC d/b/a Kai may terminate its role as Dissemination Agent at any time upon

delivery of written notice to the District and the Developer. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the District or the Developer pursuant to this Disclosure Agreement.

**11. Amendment; Waiver.** Notwithstanding any other provision of this Disclosure Agreement, the District, the Developer and the Dissemination Agent (if the Dissemination Agent is not the District) may amend this Disclosure Agreement, and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to the provisions of Sections 3(a), 4, 5(a), 6 or 7, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the District and/or the Developer, or the type of business conducted;

(b) the Disclosure Agreement, as amended or taking into account such waiver, would, in the opinion of counsel expert in federal securities laws, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the amendment or waiver either (i) is approved by the holders or Beneficial Owners of the Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of holders or Beneficial Owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or Beneficial Owners of the Bonds.

Notwithstanding the foregoing, the District, the Developer and the Dissemination Agent shall have the right to adopt amendments to this Disclosure Agreement necessary to comply with modifications to and interpretations of the provisions of the Rule as announced by the SEC from time to time without any other conditions.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the District and/or the Developer shall describe such amendment in its next Annual Report or Quarterly Report, as applicable, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change in accounting principles, on the presentation) of financial information or operating data being presented by the District or the Developer, as applicable. In addition, if the amendment relates to the accounting principles to be followed by the District in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 7(a), and (ii) the Annual Report or Audited Financial Statements, as applicable, 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.

**12. Additional Information.** Nothing in this Disclosure Agreement shall be deemed to prevent the District or the Developer 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, Quarterly Report, or notice of occurrence of a Listed Event in addition to that which is required by this

Disclosure Agreement. If the District or the Developer chooses to include any information in any Annual Report, Quarterly Report, or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the District or the Developer shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report, Quarterly Report, or notice of occurrence of a Listed Event.

**13. Default.** In the event of a failure of the District, an Obligated Person, a Disclosure Representative, or the Dissemination Agent to comply with any provision of this Disclosure Agreement, the Trustee may (and, at the request of the Participating Underwriter or the Beneficial Owners of more than fifty percent (50%) aggregate principal amount of Outstanding Bonds and receipt of indemnity satisfactory to the Trustee, shall) or any Beneficial Owner of a Bond may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District, an Obligated Person, a Disclosure Representative, or the Dissemination Agent, as the case may be, to comply with its obligations under this Disclosure Agreement. 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 District, an Obligated Person, a Disclosure Representative, or the Dissemination Agent, to comply with this Disclosure Agreement shall be an action to compel performance.

**14. 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. Any filings under this Disclosure Agreement made to the MSRB through EMMA shall be in an EMMA compliant format. Anything herein to the contrary notwithstanding, in the event that a Disclosure Representative and the Dissemination Agent are the same party, such party's limited duties in their capacity as Dissemination Agent, as described hereinabove, shall not in any way relieve or limit such party's duties in their capacity as Disclosure Representative under this Disclosure Agreement.

**15. Beneficiaries.** This Disclosure Agreement shall inure solely to the benefit of the District, the Developer, the Dissemination Agent, the Trustee, the Participating Underwriter and Beneficial Owners of the Bonds (the Trustee, the Participating Underwriter and Beneficial 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.

**16. Counterparts.** This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

**17. Governing Law.** This Disclosure Agreement shall be governed by the laws of the State and federal law.

**18. Trustee Cooperation.** The District represents that the Dissemination Agent is a bona fide agent of the District and directs the Trustee to deliver to the Dissemination Agent, at the expense of the District, any information or reports it requests that the District has a right to request from the Trustee (inclusive of balances, payments, etc.) that are in the possession of and readily available to the Trustee.

**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 the Developer or any assignee or successor thereto that becomes an Obligated Person pursuant to the terms of this Disclosure Agreement, only successors or assignees to such parties who are, by definition, Obligated Persons, shall be bound or benefited by this Disclosure Agreement.

**20. Undertakings.** The Developer represents that it has instituted internal processes to provide information to the Dissemination Agent on a timely basis and obtained assurances from the Dissemination Agent that they will in turn request the required reporting information timely and file such information timely with the appropriate Repository.

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**SIGNATURE PAGE TO CONTINUING DISCLOSURE AGREEMENT  
(Lake Hideaway Community Development District)**

IN WITNESS WHEREOF, the undersigned have executed this Disclosure Agreement as of the date and year set forth above.

[SEAL]

**LAKE HIDEAWAY COMMUNITY  
DEVELOPMENT DISTRICT**

Consented and Agreed to by:

**KAI CONNECTED, LLC D/B/A KAI**, and its  
successors and assigns, as Disclosure  
Representative

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

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

Joined by **U.S. BANK TRUST COMPANY,  
NATIONAL ASSOCIATION**, as Trustee for  
purposes of Sections 13, 15 and 18 only

**KAI CONNECTED, LLC D/B/A KAI**, as  
initial Dissemination Agent

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

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

**HAWK LAKE HIDEAWAY, LLC**,  
a Delaware limited liability company,  
as Developer

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

**EXHIBIT A TO CONTINUING DISCLOSURE AGREEMENT  
(Lake Hideaway Community Development District)**

**NOTICE TO REPOSITORIES  
OF FAILURE TO FILE ANNUAL REPORT/QUARTERLY REPORT/  
AUDITED FINANCIAL STATEMENTS**

Name of District: Lake Hideaway Community Development District (the "District")

Obligated Person(s) Lake Hideaway Community Development District  
Hawk Lake Hideaway, LLC (the "Developer")

Name of Bond Issue: \$[Bond Amount] Capital Improvement Revenue Bonds, Series 2026 (Assessment Area Two) (the "Bonds")

Date of Issuance: [Closing Date]

CUSIPS: [\_\_\_\_\_]

**NOTICE IS HEREBY GIVEN** that the [District] [Developer] has not provided [an Annual Report] [Audited Financial Statements] [a Quarterly Report] with respect to the above-named Bonds as required by [Section 4] [Section 6] of the Continuing Disclosure Agreement dated [Closing Date], among the District, the Developer and the Dissemination Agent named therein. The [District] [Developer] has advised the undersigned that it anticipates that the [Annual Report] [Audited Financial Statements] [Quarterly Report] will be filed by \_\_\_\_\_, 20\_\_\_\_.

Dated: \_\_\_\_\_, \_\_\_\_\_, Dissemination Agent

cc: [District]  
[Developer]  
Participating Underwriter

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**APPENDIX F**

**AUDITED FINANCIAL STATEMENTS OF THE DISTRICT  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

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**LAKE HIDEAWAY COMMUNITY DEVELOPMENT DISTRICT**

**FINANCIAL STATEMENTS**

September 30, 2024

**LAKE HIDEAWAY COMMUNITY DEVELOPMENT DISTRICT**  
**FINANCIAL STATEMENTS**  
**September 30, 2024**

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INDEPENDENT AUDITORS' REPORT

To the Board of Supervisors  
Lake Hideaway Community Development District  
Hernando County, Florida

**Opinions**

We have audited the accompanying financial statements of the governmental activities and each major fund of Lake Hideaway Community Development District, Hernando County, Florida ("District") as of and for the year ended September 30, 2024, 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, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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**

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 generally accepted auditing standards 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 generally accepted auditing standards, 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 Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated May 20, 2025, on our consideration of the Lake Hideaway Community Development District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, 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 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.

### **Report on Other Legal and Regulatory Requirements**

We have also issued our report dated May 20, 2025 on our consideration of the District's compliance with requirements of Section 218.415, Florida Statutes, as required by Rule 10.556(10) of the Auditor General of the State of Florida. The purpose of that report is to provide an opinion based on our examination conducted in accordance with attestation Standards established by the American Institute of Certified Public Accountants.

*DiBartolomeo, McBee, Hartley & Barnes*

DiBartolomeo, McBee, Hartley & Barnes, P.A.

Fort Pierce, Florida

May 20, 2025

# LAKE HIDEAWAY COMMUNITY DEVELOPMENT DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2024

Our discussion and analysis of Lake Hideaway Community Development District, Hernando County, Florida ("District") financial performance provides an overview of the District's financial activities for the fiscal year ended September 30, 2024. 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 liabilities of the District exceeded its assets at the close of the most recent fiscal year resulting in a net position balance of (\$833,650).
- The change in the District's total net position in comparison with the prior fiscal year was (\$827,638) a decrease. 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, 2024, the District's governmental funds reported combined ending fund balances of \$6,899,020. A portion of fund balance is restricted for debt service and future capital repairs and replacement, nonspendable deposits, 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 is intended to serve as the introduction to the District's 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 and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

# LAKE HIDEAWAY COMMUNITY DEVELOPMENT DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2024

The government-wide financial statements include all governmental activities that are principally supported by special assessments. The District does not have any business-type activities. The governmental activities of the District include the general government (management) and maintenance and operations.

### **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District has one fund category: governmental funds.

### **Governmental Funds**

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions.

Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains three individual governmental fund for external reporting. Information is presented 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 funds are 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.

# LAKE HIDEAWAY COMMUNITY DEVELOPMENT DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2024

### 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, liabilities exceeded assets at the close of the most recent fiscal year. A portion of the District's net position reflects its investment in capital assets (e.g. land, land improvements and infrastructure). These assets are used to provide services to residents; consequently, these assets are not available for future spending. The balance of unrestricted net position may be used to meet the District's obligations.

Key components of net position were as follows:

Statement of Net Position		
	2024	2023 (UNAUDITED)
Current assets	\$ 7,996,353	\$ 10,818
Non-current assets		
Capital assets	12,723,218	-
Total assets	<u>20,719,571</u>	<u>10,818</u>
Current liabilities	1,902,597	16,830
Long-term liabilities	19,650,624	-
Total liabilities	<u>21,553,221</u>	<u>16,830</u>
Net position		
Net invested in capital assets	(315,001)	-
Restricted for debt service	(530,264)	-
Unrestricted	11,615	(6,012)
Total net position	<u>\$ (833,650)</u>	<u>\$ (6,012)</u>

The District's net position increased during the most recent fiscal year. The majority of the change represents the degree to which the ongoing cost of operations exceeded program revenues.

Key elements of the District's change in net position are reflected in the following table:

Change in Net Position		
	2024	2023 (UNAUDITED)
Program revenues	\$ 46,187	\$ 48,313
General revenues	272,868	9
Total revenues	<u>319,055</u>	<u>48,322</u>
Expenses		
General government	35,142	33,841
Interest on long-term debt	530,264	-
Cost of issuance	581,287	-
Total expenses	<u>1,146,693</u>	<u>33,841</u>
Change in net position	(827,638)	14,481
Net position - beginning of year	(6,012)	(20,493)
Net position - end of year	<u>\$ (833,650)</u>	<u>\$ (6,012)</u>

# LAKE HIDEAWAY COMMUNITY DEVELOPMENT DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2024

As noted above and in the statement of activities, the cost of all governmental activities during the fiscal year ended September 30, 2024 was \$1,146,693, which primarily consisted of costs of issuance, interest on long term debt and costs associated with general expenditures and constructing and maintaining certain capital improvements of the District. The costs of the District's activities were funded by developer contributions.

### **GENERAL BUDGETING HIGHLIGHTS**

An operating budget was adopted and maintained by the governing board for the District pursuant to the requirements of Florida Statutes. The budget is adopted using the same basis of accounting that is used in preparation of the fund financial statements. The legal level of budgetary control, the level at which expenditures may not exceed budget, is in the aggregate. Any budget amendments that increase the aggregate budgeted appropriations must be approved by the Board of Supervisors. Actual general fund expenditures did not exceed appropriations for the fiscal year ended September 30, 2024.

The variance between budgeted and actual general fund revenues is significant. The actual general fund expenditures for the current fiscal year were lower than budgeted amounts due primarily to anticipated costs which were not incurred in the current fiscal year.

### **CAPITAL ASSETS AND DEBT ADMINISTRATION**

#### Capital Assets

At September 30, 2024, the District had \$12,723,218 invested in construction in process. Construction in process has not completed as of September 30, 2024 and therefore is not depreciated to date. More detailed information about the District's capital assets is presented in the notes of the financial statements.

#### Capital Debt

At September 30, 2024, the District had \$19,925,624 Bonds outstanding for its governmental activities. More detailed information about the District's capital debt is presented in the accompanying notes to the financial statements.

### **ECONOMIC FACTORS, NEXT YEAR'S BUDGET AND OTHER INFORMATION**

For the fiscal year 2025, the District anticipates that the cost of general operations will remain fairly constant. In connection with the District's future infrastructure maintenance and replacement plan, the District Board has included in the budget, an estimate of those anticipated future costs and has assigned a portion of current available resources for that purpose.

# **LAKE HIDEAWAY COMMUNITY DEVELOPMENT DISTRICT**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

September 30, 2024

### **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 Lake Hideaway Community Development District's Finance Department at 22502 N Rocky Point Drive, Suite 1000, Tampa, Florida 33607-1449.

**LAKE HIDEAWAY COMMUNITY DEVELOPMENT DISTRICT**

STATEMENT OF NET POSITION

September 30, 2024

	<u>GOVERNMENTAL ACTIVITIES</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 17,633
Restricted assets:	
Investments	7,978,720
Capital assets:	
Non-depreciable	12,723,218
<b>TOTAL ASSETS</b>	<u><u>\$ 20,719,571</u></u>
<b>LIABILITIES</b>	
Accounts payable and accrued expenses	\$ 899,827
Accrued interest payable	530,264
Retainage payable	197,506
Bonds payable, due within one year	275,000
Bonds payable, due in more than one year	19,650,624
<b>TOTAL LIABILITIES</b>	<u><u>21,553,221</u></u>
<b>NET POSITION</b>	
Net investment in capital assets	(315,001)
Restricted for:	
Debt service	(530,264)
Unrestricted	11,615
<b>TOTAL NET POSITION</b>	<u><u>\$ (833,650)</u></u>

The accompanying notes are an integral part of this financial statement

**LAKE HIDEAWAY COMMUNITY DEVELOPMENT DISTRICT**

STATEMENT OF ACTIVITIES

Year Ended September 30, 2024

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenues and Changes in Net Position
		Charges for Services	Operating Contributions	Governmental Activities
Governmental activities				
General government	\$ 35,142	\$ -	\$ 46,187	\$ 11,045
Interest on long-term debt	530,264	-	-	(530,264)
Cost of issuance	581,287	-	-	(581,287)
Total governmental activities	<u>\$ 1,146,693</u>	<u>\$ -</u>	<u>\$ 46,187</u>	<u>(1,100,506)</u>
General revenues:				
Investment earnings				266,296
Miscellaneous income				6,572
Total general revenues				<u>272,868</u>
Change in net position				(827,638)
Net position - October 1, 2023				<u>(6,012)</u>
Net position - September 30, 2024				<u>\$ (833,650)</u>

The accompanying notes are an integral part of this financial statement

**LAKE HIDEAWAY COMMUNITY DEVELOPMENT DISTRICT**  
**BALANCE SHEET – GOVERNMENTAL FUNDS**  
September 30, 2024

	MAJOR FUNDS			TOTAL GOVERNMENTAL FUNDS
	GENERAL	DEBT SERVICE	CAPITAL PROJECTS	
<b><u>ASSETS</u></b>				
Cash and cash equivalents	\$ 17,633	\$ -	\$ -	\$ 17,633
Restricted assets:				
Investments	-	2,085,366	5,893,354	7,978,720
<b>TOTAL ASSETS</b>	<b>\$ 17,633</b>	<b>\$ 2,085,366</b>	<b>\$ 5,893,354</b>	<b>\$ 7,996,353</b>
<b><u>LIABILITIES AND FUND BALANCES</u></b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 6,018	\$ -	\$ 893,809	\$ 899,827
Retainage payable	-	-	197,506	197,506
<b>TOTAL LIABILITIES</b>	<b>6,018</b>	<b>-</b>	<b>1,091,315</b>	<b>1,097,333</b>
<b>FUND BALANCES</b>				
Restricted for:				
Debt service	-	2,085,366	-	2,085,366
Capital projects	-	-	4,802,039	4,802,039
Unassigned	11,615	-	-	11,615
<b>TOTAL FUND BALANCES</b>	<b>11,615</b>	<b>2,085,366</b>	<b>4,802,039</b>	<b>6,899,020</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 17,633</b>	<b>\$ 2,085,366</b>	<b>\$ 5,893,354</b>	<b>\$ 7,996,353</b>

The accompanying notes are an integral part of this financial statement

**LAKE HIDEAWAY COMMUNITY DEVELOPMENT DISTRICT**  
**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES**  
**TO NET POSITION OF GOVERNMENTAL ACTIVITIES**  
September 30, 2024

Total Governmental Fund Balances in the Balance Sheet	\$ 6,899,020
Amount reported for governmental activities in the Statement of Net Assets are different because:	
Capital asset used in governmental activities are not financial resources and therefore are not reported in the governmental funds:	
Governmental capital assets	12,723,218
Certain liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Accrued interest payable	(530,264)
Original issue discount	74,376
Governmental bonds payable	(20,000,000)
Net Position of Governmental Activities	\$ (833,650)

The accompanying notes are an integral part of this financial statement

**LAKE HIDEAWAY COMMUNITY DEVELOPMENT DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES – GOVERNMENTAL FUNDS**  
**Year Ended September 30, 2024**

	MAJOR FUNDS			TOTAL GOVERNMENTAL FUNDS
	GENERAL	DEBT SERVICE	CAPITAL PROJECTS	
<b>REVENUES</b>				
Developer contributions	\$ 46,187	\$ -	\$ -	\$ 46,187
Miscellaneous revenue	6,572	-	-	6,572
Investment earnings	10	40,258	226,028	266,296
<b>TOTAL REVENUES</b>	<b>52,769</b>	<b>40,258</b>	<b>226,028</b>	<b>319,055</b>
<b>EXPENDITURES</b>				
General government	35,142	-	-	35,142
Capital outlay	-	-	12,723,218	12,723,218
Debt				
Bond issuance costs	-	581,287	-	581,287
<b>TOTAL EXPENDITURES</b>	<b>35,142</b>	<b>581,287</b>	<b>12,723,218</b>	<b>13,339,647</b>
<b>EXCESS REVENUES OVER (UNDER) EXPENDITURES</b>	<b>17,627</b>	<b>(541,029)</b>	<b>(12,497,190)</b>	<b>(13,020,592)</b>
<b>OTHER SOURCES (USES)</b>				
Issuance of debt	-	2,626,395	17,299,229	19,925,624
<b>TOTAL OTHER SOURCES (USES)</b>	<b>-</b>	<b>2,626,395</b>	<b>17,299,229</b>	<b>19,925,624</b>
<b>EXCESS REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)</b>	<b>17,627</b>	<b>2,085,366</b>	<b>4,802,039</b>	<b>6,905,032</b>
<b>FUND BALANCE</b>				
Beginning of year	(6,012)	-	-	(6,012)
End of year	<u>\$ 11,615</u>	<u>\$ 2,085,366</u>	<u>\$ 4,802,039</u>	<u>\$ 6,899,020</u>

The accompanying notes are an integral part of this financial statement

**LAKE HIDEAWAY COMMUNITY DEVELOPMENT DISTRICT**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**Year Ended September 30, 2024**

Net Change in Fund Balances - Total Governmental Funds	\$ 6,905,032
Amount reported for governmental activities in the Statement of Activities are different because:	
The issuance of long-term debt provides current financial resources to governmental funds. These transactions, however, have no effect on net assets. This is the amount of long-term debt issued in the current period.	(19,925,624)
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the costs of those assets are depreciated over their estimated useful lives:	
Capital outlay	12,723,218
Certain items reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported expenditures in the governmental funds:	
Change in accrued interest payable	(530,264)
Change in Net Position of Governmental Activities	\$ (827,638)

The accompanying notes are an integral part of this financial statement

# LAKE HIDEAWAY COMMUNITY DEVELOPMENT DISTRICT

## NOTES TO FINANCIAL STATEMENTS

September 30, 2024

### NOTE A- NATURE OF ORGANIZATION AND REPORTING ENTITY

Lake Hideaway Community Development District ("District") was established on October 27, 2021 by Ordinance 2021-21 adopted by the Board of County Commissioners of Hernando 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 majority of the Board members are affiliated with the Developer. The Supervisors are elected on an at large basis by landowners within the District. The Board of Supervisors of the District exercise all powers granted to the District pursuant to Chapter 190, Florida Statutes.

The Board has the responsibility for, among other things:

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 B - 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.

# LAKE HIDEAWAY COMMUNITY DEVELOPMENT DISTRICT

## NOTES TO FINANCIAL STATEMENTS

September 30, 2024

### NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### **Government-Wide and Fund Financial Statements (continued)**

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment. Operating-type special assessments for maintenance and debt service are treated as charges for services and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other Items not included among program revenues are reported instead as general revenues.

#### **Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Assessments are recognized as revenues in the year for which they are levied. Grants and similar items are to be recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the economic 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 benefited lands within the District. Assessments are levied to pay for the operations and maintenance of the District. 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. The District's annual assessments for operations are billed and collected by the County Tax Collector. The amounts remitted to the District are net of applicable discounts or fees and include interest on monies held from the day of collection to the day of distribution.

# LAKE HIDEAWAY COMMUNITY DEVELOPMENT DISTRICT

## NOTES TO FINANCIAL STATEMENTS

September 30, 2024

### NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### **Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)**

##### Assessments (continued)

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. All other revenue items are considered to be measurable and available only when cash is received by the government.

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.

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.

##### Debt Service Fund

The debt service fund is used to account for the accumulation of resources for the annual payment of principal and interest of long-term debt.

##### Capital Projects Fund

The capital projects fund accounts for the financial resources to be used for the acquisition or construction of major infrastructure with the District.

#### **Assets, Liabilities and Net Position or Equity**

##### Restricted Assets

These assets represent cash and investments set aside pursuant to 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).

# LAKE HIDEAWAY COMMUNITY DEVELOPMENT DISTRICT

## NOTES TO FINANCIAL STATEMENTS

September 30, 2024

### NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### **Assets, Liabilities and Net Position or Equity (continued)**

The District has elected to proceed under the Alternative Investment Guidelines as set forth in Section 218.415 (17) Florida Statutes. The District may invest any surplus public funds in the following:

- a) The Local Government Surplus Trust Funds, or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act;
- b) Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency;
- c) Interest bearing time deposits or savings accounts in qualified public depositories;
- d) direct obligations of the U.S. Treasury.

Securities listed in paragraph c and d shall be invested to provide sufficient liquidity to pay obligations as they come due. In addition, surplus funds may be deposited into certificates of deposit which are insured.

The District records all interest revenue related to investment activities in the respective funds and reports investments at fair value.

#### **Inventories and Prepaid Items**

Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

#### **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 one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market 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.

# LAKE HIDEAWAY COMMUNITY DEVELOPMENT DISTRICT

## NOTES TO FINANCIAL STATEMENTS

September 30, 2024

### NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Assets, Liabilities and Net Position or Equity (continued)

##### Capital Assets (continued)

In the governmental fund financial statements, amounts incurred for the acquisition of capital assets are reported as fund expenditures. Depreciation expense is not reported in the governmental fund financial statements.

##### Unearned Revenue

Governmental funds report unearned revenue in connection with resources that have been received, but not yet earned.

##### Deferred Outflows/Inflows of Resources

The statement of net position reports, as applicable, a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to future reporting period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until that time. For example, the District would record deferred outflows of resources related to debit amounts resulting from current and advance refundings resulting in the defeasance of debt (i.e. when there are differences between the reacquisition price and the net carrying amount of the old debt).

The statement of net position reports, as applicable, a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to future reporting period(s) and so will not be recognized as an inflow of resources (revenue) until that time. For example, when an asset is recorded in the governmental fund financial statements, but the revenue is not available, the District reports a deferred inflow of resources until such times as the revenue becomes available.

##### 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.

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.

# LAKE HIDEAWAY COMMUNITY DEVELOPMENT DISTRICT

## NOTES TO FINANCIAL STATEMENTS

September 30, 2024

### NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### **Assets, Liabilities and Net Position or Equity (continued)**

##### Fund Equity/Net Position (continued)

Assigned fund balance - Includes spendable fund balance amounts that are intended to be used for specific purposes that are neither considered restricted nor committed. The Board can assign fund balance as it does when appropriating fund balance to cover differences in estimated revenue and appropriations in the subsequent year's appropriated budget. Assignments are generally temporary and normally the same formal action need not be taken to remove the assignment.

The District first uses committed fund balance, followed by assigned fund balance and then unassigned fund balance when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Net position is the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. Net position in the government-wide financial statements are categorized as net investment in capital assets, restricted or unrestricted. Net investment in capital assets represents net position related to infrastructure and property, plant and equipment. Restricted net position represents the assets restricted by the District's Bond covenants or other contractual restrictions. Unrestricted net position consists of the net position not meeting the definition of either of the other two components.

#### **Other Disclosures**

##### Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

### NOTE C - 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.

**LAKE HIDEAWAY COMMUNITY DEVELOPMENT DISTRICT**

NOTES TO FINANCIAL STATEMENTS

September 30, 2024

**NOTE C - BUDGETARY INFORMATION (CONTINUED)**

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 D – DEPOSITS AND INVESTMENTS**

**Deposits**

The District's cash balances, including certificates of deposit, were entirely covered by federal depository insurance or by a collateral pool pledged to the State Treasurer. Florida Statutes Chapter 280, "Florida Security for Public Deposits Act", requires all qualified depositories to deposit with the Treasurer or another banking institution eligible collateral equal to various percentages of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance held. The percentage of eligible collateral (generally, U.S. Governmental and agency securities, state or local government debt, or corporate bonds) to public deposits is dependent upon the depository's financial history and its compliance with Chapter 280. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses.

**Investments**

The District's investments were held as follows at September 30, 2024:

<u>Investment</u>	<u>Fair Value</u>	<u>Credit Risk</u>	<u>Maturities</u>
Money Market Mutual Funds - First			Weighted average of the fund portfolio: 31 days
American Treasury Obligation CL Y	\$ 7,978,720	S&P AAAM	
Total Investments	<u>\$ 7,978,720</u>		

Custodial credit risk - For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of the investments or collateral securities that are in the possession of an outside party. The District has no formal policy for custodial risk. The investments listed in the schedule above are not evidenced by securities that exist in physical or book entry form.

# LAKE HIDEAWAY COMMUNITY DEVELOPMENT DISTRICT

## NOTES TO FINANCIAL STATEMENTS

September 30, 2024

### NOTE D – DEPOSITS AND INVESTMENTS (CONTINUED)

#### **Investments (continued)**

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.

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. For external investment pools that qualify to be measured at amortized cost, the pool's participants should also measure their investments in that external investment pool at amortized cost for financial reporting purposes. Accordingly, the District's investments have been reported at amortized cost above.

**LAKE HIDEAWAY COMMUNITY DEVELOPMENT DISTRICT**

NOTES TO FINANCIAL STATEMENTS

September 30, 2024

**NOTE E - CAPITAL ASSETS**

Capital asset activity for the fiscal year ended September 30, 2024 was as follows:

	Balance 10/01/2023	Increases	Decreases	Balance 09/30/2024
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Construction in progress	\$ -	\$ 12,723,218	\$ -	\$12,723,218
Total capital assets, not being depreciated	-	12,723,218	-	12,723,218
Governmental activities capital assets - net	\$ -	\$ 12,723,218	\$ -	\$12,723,218

**NOTE F – LONG-TERM LIABILITIES**

**\$20,000,000 Capital Improvement Revenue Bonds, Series 2024 (Assessment Area One)** – On April 9, 2024, the District issued \$20,000,000 in Capital Improvement Revenue Bonds, Series 2024 (Assessment Area One). The Bonds are payable May 2054. The Bonds bear interest ranging from 4.75 % to 5.9% payable semi-annually on the first day of each May and November. Principal is due serially each May 1, commencing May 2025.

The Bond Indenture has certain restrictions and requirements relating principally to the use of proceeds to pay for the infrastructure improvements and the procedures to be followed by the District on assessments to property owners. The District agreed to levy special assessments in annual amounts adequate to provide payment of debt service and to meet the reserve requirements. The requirements have been met for the fiscal year ended September 30, 2024.

The following is a summary of activity in the long-term debt of the District for the year ended September 30, 2024:

	Balance 10/01/2023	Additions	Deletions	Balance 09/30/2024	Due Within One Year
Capital Improvement Revenue Bonds, Series 2024	\$ -	\$20,000,000	\$ -	\$ 20,000,000	\$ 275,000
	-	20,000,000	-	20,000,000	275,000
Unamortized bond discount	-	(74,376)	-	(74,376)	-
	\$ -	\$19,925,624	\$ -	\$ 19,925,624	\$ 275,000

**LAKE HIDEAWAY COMMUNITY DEVELOPMENT DISTRICT**

NOTES TO FINANCIAL STATEMENTS

September 30, 2024

**NOTE F – LONG-TERM LIABILITIES (CONTINUED)**

The annual requirements to amortize the principal and interest of bonded debt outstanding as of September 30, 2024 are as follows:

<u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 275,000	\$ 1,205,953	\$ 1,480,953
2026	290,000	1,123,438	1,413,438
2027	300,000	1,109,663	1,409,663
2028	315,000	1,095,413	1,410,413
2029	330,000	1,080,450	1,410,450
2030-2034	1,935,000	5,138,975	7,073,975
2035-2039	2,555,000	4,537,083	7,092,083
2040-2044	3,390,000	3,725,743	7,115,743
2045-2049	4,530,000	2,627,270	7,157,270
2050-2054	6,080,000	1,118,637	7,198,637
	<u>\$ 20,000,000</u>	<u>\$ 22,762,625</u>	<u>\$ 42,762,625</u>

**NOTE G – DEVELOPER TRANSACTIONS**

The Developer has agreed to fund the general operations of the District. In connection with that agreement, Developer contributions to the general fund were \$46,187.

The Developer owns a portion of land within the District; therefore, assessment revenues in the debt service funds include the assessments levied on those lots owned by the Developer.

**NOTE H - MANAGEMENT COMPANY**

The District has contracted with a management company to perform services which include financial and accounting advisory services. Certain employees of the management company also serve as officers of the District. Under the agreement, the District compensates the management company for management, accounting, financial reporting, computer and other administrative costs.

**NOTE I - 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; natural disasters; and environmental remediation. The District has obtained commercial insurance from independent third parties to mitigate the costs of these risks; coverage may not extend to all situations. There were no settled claims since the inception of the District.

**LAKE HIDEAWAY COMMUNITY DEVELOPMENT DISTRICT**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL – GENERAL FUND**  
**Year Ended September 30, 2024**

	<u>* BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
<b>REVENUES</b>			
Developer contributions	\$ 287,052	\$ 46,187	\$ (240,865)
Miscellaneous revenue	-	6,572	6,572
Investment earnings	-	10	10
<b>TOTAL REVENUES</b>	<u>287,052</u>	<u>52,769</u>	<u>(234,283)</u>
 <b>EXPENDITURES</b>			
Current			
General government	111,752	35,142	76,610
Physical environment	175,300	-	175,300
<b>TOTAL EXPENDITURES</b>	<u>287,052</u>	<u>35,142</u>	<u>251,910</u>
 <b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>			
	<u>\$ -</u>	17,627	<u>\$ 17,627</u>
 <b>FUND BALANCES</b>			
Beginning of year		<u>(6,012)</u>	
End of year		<u>\$ 11,615</u>	

\* Original and final budget.

**LAKE HIDEAWAY COMMUNITY DEVELOPMENT DISTRICT**  
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).

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, 2024.

The variance between budgeted and actual general fund revenues is significant. The actual general fund expenditures for the current fiscal year were lower than budgeted amounts due primarily to anticipated costs which were not incurred in the current fiscal year.

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 Directors  
Lake Hideaway Community Development District  
Hernando County, Florida

We have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Lake Hideaway Community Development District, as of September 30, 2024 and for the year ended September 30, 2024, which collectively comprise the Lake Hideaway Community Development District's basic financial statements and have issued our report thereon dated May 20, 2025.

### **Report on Internal Control Over Financial Reporting**

In planning and performing our audit, 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 over financial reporting.

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 misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

This report is intended 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.

*DiBartolomeo, McBee, Hartley & Barnes*

DiBartolomeo, McBee, Hartley & Barnes, P.A.

Fort Pierce, Florida

May 20, 2025

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 Directors  
Lake Hideaway Community Development District  
Hernando County, Florida

We have examined Lake Hideaway Community Development District, Hernando 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, 2024. 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, 2024.

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 Lake Hideaway Community Development District, Hernando County, Florida and is not intended to be and should not be used by anyone other than these specified parties.



DiBartolomeo, McBee Hartley & Barnes, P.A.  
Fort Pierce, Florida  
May 20, 2025

Management Letter

To the Board of Supervisors  
Lake Hideaway Community Development District  
Hernando County, Florida

**Report on the Financial Statements**

We have audited the financial statements of the Lake Hideaway Community Development District (“District”) as of and for the fiscal year ended September 30, 2024, and have issued our report thereon dated May 20, 2025.

**Auditors’ Responsibility**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Auditor General.

**Other Reporting Requirements**

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards and Independent Accountants' 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 May 20, 2025, should be considered in conjunction with this management letter.

**Prior Audit Findings**

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Initial year audit, there were no findings in the prior year.

**Official Title and Legal Authority**

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The information required is disclosed in the notes to the financial statements.

## **Financial Condition and Management**

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the District has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the District did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the District. It is management's responsibility to monitor the District's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

## **Property Assessed Clean Energy (PACE) Programs**

As required by Section 10.554(1)(i)6.a., Rules of the Auditor General, the District did not authorize a PACE program pursuant to Section 163.081 or Section 163.082, Florida Statutes, did not operate within the District's geographical boundaries during the fiscal year under audit.

## **Specific Information**

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the Lake Hideaway Community Development District reported:

- a. The total number of district employees compensated in the last pay period of the District's fiscal year as N/A.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year as N/A.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as N/A.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as N/A.
- e. Each construction projects with a total cost of at least \$65,000 approved by the District that are scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project as \$4,363,789.
- f. The District did not amend its final adopted budget under Section 189.016(6), Florida Statutes.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)7, Rules of the Auditor General, the Lake Hideaway Community Development District reported:

- a. The rates of non-ad valorem special assessments imposed by the District as N/A.
- b. The total amount of special assessments collected by or on behalf of the District as N/A.
- c. The total amount of outstanding bonds issued by the district as \$20,000,000.

### **Additional Matters**

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

### **Purpose of this Letter**

Our management letter is intended solely for the information and use of Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Board of Supervisors, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

*DiBartolomeo, McBee, Hartley & Barnes*

DiBartolomeo, McBee, Hartley & Barnes, P.A.

Fort Pierce, Florida

May 20, 2025



