



HOBE-ST. LUCIE CONSERVANCY DISTRICT

MARTIN COUNTY

**REGULAR BOARD OF SUPERVISORS MEETING
MARCH 27, 2024
9:30 A.M.**

**Special District Services, Inc.
The Oaks Center
2501A Burns Road
Palm Beach Gardens, FL 33410**

**www.hobestluciecd.org
561.630.4922 Telephone
877.SDS.4922 Toll Free
561.630.4923 Facsimile**

AGENDA
HOBE-ST. LUCIE CONSERVANCY DISTRICT
Conference Room at Becker Tree Farm
2400 SE Bridge Road
Hobe Sound, Florida 33455
REGULAR BOARD OF SUPERVISORS MEETING
March 27, 2024
9:30 a.m.

- A. Call to Order
- B. Proof of Publication.....Page 1
- C. Establish Quorum
- D. Additions or Deletions to Agenda
- E. Comments from the Public for Items Not on the Agenda
- F. Approval of Minutes
 - 1. February 28, 2024 Regular Board of Supervisors Meeting Minutes.....Page 2
- G. Old Business
 - 1. Status Update Regarding RG Reserve Pipe Permit
- H. New Business
 - 1. Consider Resolution No. 2024-04 – Adopting an Amended & Restated Master Bond Resolution...Page 6
 - 2. Consider Resolution No. 2024-05 – Adopting an Amended & Restated Award Resolution.....Page 47
 - 3. Consider Adoption of the Following:
 - a. High Level Maintenance Agreement between and among HSLCD & Discovery Hobe Sound Investors LLC & Atlantic Fields Master Association, Inc. (Excludes Irrigation).....Page 195
 - b. Termination of (Existing) HL Maintenance Agreement between HSLCD & Becker B-14 Grove Ltd.....Page 220
 - c. Termination of (existing) HL Maintenance Agreement between HSLCD & Hobe Sound Equestrian LLC.....Page 230
 - d. Release and Termination of Easements (Easements in Unit 1 Will be Replaced by Dedicated Easements on Plat of Discovery PUD).....Page 240
 - 4. Consider Resolution No. 2024-06 – Designating Authorized Representatives to Execute Plats & Instruments.....Page 243
- I. Administrative Matters
 - 1. Engineer’s Report
 - 2. Attorney’s Report
 - 3. Manager’s Report
 - 4. Field Operations Report
- J. Board Members Comments
- K. Adjourn

PROOF OF PUBLICATION

Laura Archer
Peter Pimentel
Hobe-St. Lucie Conservancy District
2501 Burns RD # A
Palm Beach Gardens FL 33410-5207

STATE OF WISCONSIN, COUNTY OF BROWN

Before the undersigned authority personally appeared, who on oath says that he or she is the Legal Advertising Representative of the Indian River Press Journal/St Lucie News Tribune/Stuart News, newspapers published in Indian River/St Lucie/Martin Counties, Florida; that the attached copy of advertisement, being a Legal Ad in the matter of Govt Public Notices, was published on the publicly accessible websites of Indian River/St Lucie/Martin Counties, Florida, or in a newspaper by print in the issues of, on:

10/13/2023

Affiant further says that the website or newspaper complies with all legal requirements for publication in chapter 50, Florida Statutes.

Subscribed and sworn to before me, by the legal clerk, who is personally known to me, on 10/13/2023

Legal Clerk

Notary, State of WI, County of Brown

My commission expires

Publication Cost: \$147.00

Order No: 9389027

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1

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Please do not use this form for payment remittance

HOBE-ST. LUCIE
CONSERVANCY DISTRICT
FISCAL YEAR 2023/2024
REGULAR MEETING SCHEDULE
NOTICE IS HEREBY GIVEN that
the Board of Supervisors of the
Hobe-St. Lucie Conservancy District
will hold Regular Meetings in the
Conference Room at Becker Tree
Farm located at 2400 SE Bridge
Road, Hobe Sound, Florida 33455 at
9:30 a.m. on the following dates:
October 25, 2023
November 15, 2023
December 13, 2023
January 24, 2024
February 28, 2024
March 27, 2024
April 24, 2024
May 22, 2024
June 26, 2024
July 24, 2024
August 28, 2024
September 25, 2024

The purpose of the meetings is to
conduct any business coming before
the Board. Meetings are open to the
public and will be conducted in
accordance with the provisions of
Florida law. A copy of the Agenda
for any of the meetings may be
obtained from the District's website
or by contacting the District
Manager at (561) 630-4922 and/or toll
free at 1-877-737-4922 prior to the
date of the particular meeting.

From time to time one or more
Supervisors may participate by
telephone; therefore a speaker
telephone will be present at the
meeting location so that Supervisors
may be fully informed of the
discussions taking place. Said
meetings may be continued as found
necessary to a time and place
specified on the record.

If any person decides to appeal any
decision made with respect to any
matter considered at these
meetings, such person will need a
record of the proceedings and such
person may need to insure that a
verbatim record of the proceedings
is made at his or her own expense
and which record includes the
testimony and evidence on which the
appeal is based.

In accordance with the provisions of
the Americans with Disabilities Act,
any person requiring special
accommodations or an interpreter to
participate at any of these meetings
should contact the District Manager
at (561) 630-4922 and/or toll-free at 1-
877-737-4922 at least seven (7) days
prior to the date of the particular
meeting.

Meetings may be cancelled from
time to time without advertised
notice.

HOBE-ST. LUCIE CONSERVANCY
DISTRICT
www.hobestluciecd.org
PUBLISH: STUART NEWS 10/13/23
#9389027

RYAN SPELLER
Notary Public
State of Wisconsin

MINUTES OF THE BOARD OF SUPERVISORS MEETING
OF HOBE-ST. LUCIE CONSERVANCY DISTRICT
February 28, 2024

Pursuant to the above Notice, the Board of Supervisors of Hobe-St. Lucie Conservancy District held its Board of Supervisors Meeting on February 28, 2024, at 9:30 A.M. at the Becker Tree Farm & Nursery located at 2400 SE Bridge Road, Hobe Sound, Florida 33455.

Present were Rick Melchiori, Edward Weinberg and Robert Brown, Supervisors; Michael McElligott of Special District Services, Inc. as District Manager; Robert Higgins of Higgins Engineering, Inc. as District Engineer; and Mary M. Viator, Attorney and Secretary. Also in attendance was Mr. Ray Spear of The Grassroots Corp., Mr. Paul Whalen, Mr. Curtis Love and John Haluska.

A. CALL TO ORDER

The Board of Supervisors Meeting was called to order by President Melchiori.

B. PROOF OF PUBLICATION

C. ESTABLISHMENT OF QUORUM

The President announced a quorum was present and it was in order to transact any business to come before the Board.

D. ADDITIONS OR DELETIONS TO AGENDA

None.

E. COMMENTS FROM THE PUBLIC FOR ITEMS NOT ON THE AGENDA

None.

F. APPROVAL OF MINUTES

A motion was made by Mr. Brown, seconded by Mr. Weinberg and unanimously passed approving the Minutes of the January 24, 2024 Board of Supervisors Board Meeting.

G. OLD BUSINESS

1. Status Update Regarding RG Reserve Pipe Permit Application

The District Engineer indicated he had previously reached out to the Consultant of RG Reserve who was putting together a plan for the Engineer's review. The District Engineer indicated the need for RG Reserve to pay for the District's review and the adverse effects resulting from the washout of the structure. The District Engineer indicated the previous damage to the District Facilities could occur again including seepage into the District's Canal.

The District Engineer reported he had followed up with SFWMD after re-sending the demand letter to SFWMD relating to any permits for mitigation as well as the Mitigation Bank security. The District Engineer reported SFWMD had not responded.

The District Engineer further explained he had coordinated with Don Barnes of SMG who he had previously worked with on this matter. He explained he had met with Mr. Barnes to discuss co-funding an outlet. The District Engineer confirmed he will follow up on this matter.

2. Update on Backup Generator and Fuel Tank Price Quotes

Mr. Ray Spear reported on the information relating to the backup generator and sizes of the fuel tanks discussed at the last Board Meeting. Proposed was the 750 and 1500 gallon tanks. Mastery had recommended the pumps not run at full capacity and include an automatic switch.

Mr. Spears stated he had followed up with FPL from the last Board Meeting and was awaiting action from FPL.

H. NEW BUSINESS

1. Consider Resolution 2024-03 Adopting Policies and Procedures relating to the District's Post Issuance Compliance Guide for Tax-Exempt Bonds; and Providing an Effective Date.

A motion was made by Robert Brown, seconded by Ed Weinberg and passed approving Resolution 2024-03 subject to Legal and Engineer review.

RESOLUTION 2024-03

A RESOLUTION OF THE BOARD OF SUPERVISORS OF HOBE-ST. LUCIE CONSERVANCY DISTRICT APPROVING THE DISTRICT'S POST-ISSUANCE COMPLIANCE GUIDE FOR TAX-EXEMPT BONDS; AND PROVIDING AN EFFECTIVE DATE.

(Copy filed in District Records)

1. Consider Landowners Agreement for Unit of Development No. 1A

A motion was made by Mr. Brown, seconded by Mr. Weinburg and unanimously passed, approving the Landowners Agreement for Unit of Development No. 1A, subject to Legal and Engineering review.

Mr. Melchiori and Mr. Weinburg announced a Conflict of Interest. Form 8B filed in the District Records.

J. ADMINISTRATIVE MATTERS

1. District Engineer's Report

The District Engineer commented on the District's operations and matters as they appeared on the Agenda.

2. District Attorney's Report

The District Attorney reported on matters as they appeared on the Agenda.

The District Attorney reported on the Legislative update relating to pending Special District legislation.

3. Manager's Report

The District Manger reported on matters as they appeared on the Agenda. He further reported on Supervisor Ethics Training and Legislative updates relating to Special Districts.

4. Field Operations Report

Mr. Spear commented on field operations and coordination with FPL for electronic services.

K. BOARD MEMBERS COMMENTS

None.

NEXT MEETING

The Board confirmed the March Board Meeting would be held on March 27, 2024, at the Becker Tree Farm Conference Room.

L. ADJOURN

There being no further business to come before the Board, the Meeting was adjourned.

President

Secretary

AMENDED AND RESTATED RESOLUTION NO. 2024-04

A RESOLUTION OF THE BOARD OF SUPERVISORS OF HOBE-ST. LUCIE CONSERVANCY DISTRICT AMENDING AND RESTATING IN ITS ENTIRETY RESOLUTION NO. 2023-05

BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF HOBE-ST. LUCIE CONSERVANCY DISTRICT, THAT:

Section 1. Resolution No. 2023-05 of the Board of Supervisors of Hobe-St. Lucie Conservancy District, adopted on October 25, 2023, which amended and restated Resolution No. 2022-06 of the Board of Supervisors of Hobe-St. Lucie Conservancy District, adopted on June 22, 2022, is hereby amended and restated in its entirety to provide:

[Remainder of page is intentionally blank. The next page is the first page of amended and restated Resolution No. 2023-05]

RESOLUTION NO. 2023-05

A RESOLUTION OF THE BOARD OF SUPERVISORS OF HOBE-ST. LUCIE CONSERVANCY DISTRICT INITIALLY AUTHORIZING THE ISSUANCE IN ONE OR MORE SERIES OF NOT EXCEEDING \$227,353,500.00 BONDS OF SUCH DISTRICT TO FINANCE THE COST OF IMPROVEMENTS WITH RESPECT TO UNIT OF DEVELOPMENT NO. 1A OF THE DISTRICT; PROVIDING THAT SUCH BONDS SHALL BE PAYABLE SOLELY FROM DRAINAGE TAXES LEVIED BY THE DISTRICT ON THE LANDS WITHIN UNIT OF DEVELOPMENT NO. 1A, AND OTHER MONIES AS PROVIDED HEREIN; PROVIDING FOR THE RIGHTS, SECURITIES, AND REMEDIES FOR THE OWNERS OF SUCH BONDS; PROVIDING FOR THE CREATION OF SPECIAL FUNDS AND ACCOUNTS; APPOINTING A TRUSTEE; MAKING CERTAIN COVENANTS AND AGREEMENTS IN CONNECTION THEREWITH; AND PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF HOBE-ST. LUCIE CONSERVANCY DISTRICT, THAT:

ARTICLE I

STATUTORY AUTHORITY AND DEFINITIONS

Section 1.01. Authority for this Resolution. This Resolution is adopted pursuant to the authority of the Act.

Section 1.02. Definitions. The following words and phrases shall have the following meanings when used herein:

"Act" means Chapter 2005-339, Laws of Florida, as amended and supplemented from time to time, applicable provisions of Chapter 298, Florida Statutes, as amended, with respect to any Taxable Bonds, Part VII of Chapter 159, Florida Statutes, and other applicable provisions of law.

"Benefit" has the meaning ascribed thereto in the Tax Resolution.

"Board" means the Board of Supervisors of the Issuer.

"Bond" or "Bonds" means the obligations of the Issuer authorized hereby.

"Bond Counsel" means an attorney at law or firm of lawyers acceptable to the Issuer and of recognized expertise in matters pertaining to the debt obligations issued by states and their political subdivisions, including the taxation of payments of interest thereon.

"Bond Fund" means the fund by that name established in Section 5.02 hereof.

"Bond Register" means the books for the registration of ownership of Bonds kept by the Trustee as agent of the Issuer pursuant to Section 2.08 hereof.

"Bond Year" means the period commencing on May 1 in each year and ending on April 30 of the following year; except that the first Bond Year shall begin on and include the date of issuance of the first series of Bonds and end on and include the next April 30.

"Business Day" means any day except any Saturday or Sunday or day on which the Designated Office of the Trustee is lawfully closed.

"Code" means the Internal Revenue Code of 1986, as amended, and any Treasury Regulations promulgated thereunder or applicable thereto.

"Control" means the possession, directly or indirectly, of the legal power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise.

"Cost" means to the extent permitted by law any obligation or expense incurred by the Issuer in connection with the acquisition, construction or reconstruction of any Project or Improvements thereon, including costs of issuing the Bonds, including acquisition of completed components of the Project and reimbursement to Persons who previously paid Costs of the Project with amounts other than Bond proceeds.

"Cost of Issuance Fund" means the fund by that name established in Section 5.02 hereof.

"Designated Office" means, with respect to the Trustee, the office of the Trustee located at the address specified in or pursuant to Section 10.04 of this Resolution or in a Supplemental Resolution, or such other address as may be designated in writing by the Trustee to the Issuer.

"Developer Group" means any of Hobe Sound Investors, LLC, a Delaware limited liability company, Atlantic Fields Development, LLC, a Delaware limited liability company, Discovery Land Consolidated LLC, a Delaware limited liability company, Discovery Land Enterprises LLC, a Delaware limited liability company, or any entity Controlled by or under common Control with any of the foregoing.

"Disbursement Approval" means a written request of the Issuer for a disbursement from the Cost of Issuance Fund or Project Fund, as applicable, which request shall be substantially in the form attached hereto as Exhibit B.

"Drainage Taxes" means the special assessments levied and assessed by the Issuer in accordance with the Act upon the lands within the Unit pursuant to the Tax Resolution.

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

"Engineer's Report" means the Report of Engineer with respect to the Unit, approved by the Board by Resolution No. 2022-04, adopted June 22, 2022, as the same may be amended from time to time in accordance with the Act.

"Event of Default" means any material covenant, warranty or representation of the Issuer contained herein shall be breached or shall become untrue, including, but not limited to, failure to timely pay principal, premium, if any, and interest on the Bonds.

"Fiscal Year" means that period commencing on October 1 and continuing to and including the next succeeding September 30, or such other annual period as shall be prescribed as the fiscal year of the Issuer by law.

"Governmental Obligations" means direct general obligations of, or obligations the timely payment of the principal of and interest on which are unconditionally guaranteed by, the United States of America and which are not redeemable or subject to prepayment prior to the stated maturity thereof by or at the direction of the obligor thereon.

"Improvements" means any and all streets and roads and other projects of the Issuer permitted under the Act and described in the Plan of Improvements.

"Insurer" means, if applicable, as to any series of Bonds, the "Insurer" identified therefor in the applicable Supplemental Resolution.

"Interest Payment Date" means as to each series of Bonds, each May 1 and November 1, commencing on such May 1 or November 1 as designated by a Supplemental Resolution adopted in connection with such series of Bonds.

"Issuer" means Hobe-St. Lucie Conservancy District, a water control district of the State pursuant to the Act, and its lawful successors.

"Issuer's Engineer" means the engineer or firm of engineers serving as the Issuer's general engineer in accordance with the Act.

"Issuer Representative" means, at any time, the person or persons at the time designated to act on behalf of the Issuer by written certificate furnished to the Trustee containing the specimen signatures of such persons and signed on behalf of the Issuer by the President.

"Issuer's Counsel" means the attorney or firm of attorneys as shall have been appointed by the Board and as shall be serving as general counsel to the Issuer.

"Mail" means mail by first-class postage prepaid or by a form of prepaid overnight delivery selected by the Trustee.

"Original Purchaser" means as to any series of Bonds, the Person or Persons identified as the Original Purchaser thereof in the applicable Supplemental Resolution.

"Outstanding Bonds" or "Bonds Outstanding" means all Bonds which have been authenticated and delivered by the Trustee under this Resolution, except:

- (i) Bonds canceled by the Trustee;
- (ii) Bonds paid or deemed to be paid pursuant to Article VII hereof;
- (iii) Bonds in lieu of which others have been authenticated under Sections 2.07 or 2.08 hereof; and
- (iv) Bonds for which irrevocable (including revocable notice which shall have become irrevocable) notice of redemption has been given and for which moneys have been deposited with the Trustee solely for payment of such Bonds.

"Owner" or "Owners" means the Person or Persons in whose name or names any Bonds shall be registered on the Bond Register.

"Person" means natural persons, firms, trusts, estates, associations, corporations, partnerships and public bodies.

"Plan of Improvements" means the Water Control Plan for the Unit approved by the Board by Resolution No. 2022-04, adopted June 22, 2022, as amended from time to time in accordance with the Act.

"President" means the President or Vice-President of the Board.

"Project" means the Improvements contemplated by the Plan of Improvements for which Drainage Taxes are to be levied against the lands within the Unit in accordance with the Act.

"Project Fund" means the fund by that name established in Section 5.02 hereof.

"Qualified Investments" means any investment permitted by State law, provided that the Trustee may assume that any investment directed by the Issuer in writing is permitted by applicable law.

"Record Date" means (i) with respect to any Interest Payment Date, the 15th day of the calendar month next preceding an Interest Payment Date, and (ii) with respect to Bonds that are to be called for redemption, the tenth Business Day preceding the day the notice of redemption is mailed.

"Reserve Fund" means the fund by that name established pursuant to Section 5.02 hereof.

"Reserve Fund Insurance Policy" shall mean an insurance policy or surety bond deposited in any account of the Reserve Fund in lieu of or in partial substitution for cash on deposit therein pursuant to Section 5.09 of this Resolution.

"Reserve Fund Requirement" means, unless otherwise provided by Supplemental Resolution with respect to a series of Bonds, as to any series of Bonds secured by an account in the Reserve Fund, (I) until the date Substantial Absorption has occurred, the least of (i) 10% of the original stated principal amount of such series of the Outstanding Bonds, (ii) the maximum amount of principal and interest scheduled to become due on the Outstanding Bonds of such series in the current or any succeeding Bond Year, or (iii) 125% of the average annual debt service on such series of the Outstanding Bonds (calculated on a Bond Year basis at the time of issuance only) (the lesser of (i), (ii) and (iii) being the "Initial Requirement") and (II) after Substantial Absorption has occurred, the lesser of (i) the Initial Requirement and (ii) 50% of the maximum amount of principal and interest scheduled to become due on the Outstanding Bonds of such series in the current or any succeeding Bond Year. If a series of Bonds has more than a de minimis amount of original issue discount or premium (as defined in Treas. Reg. '1.148-1(b)), then the issue price (as defined in said regulation) of such series (net of any pre-issuance accrued interest) shall be used to measure the aforesaid 10% limitation in lieu of the stated principal amount of such series.

"Resolution" means this Resolution, pursuant to which the Bonds are authorized to be issued, including any Supplemental Resolutions.

"Secretary" means the designee of the Issuer duly appointed and serving as the Secretary or Assistant Secretary of the Board.

"State" means the State of Florida.

"Substantial Absorption" means at least 90% of the residential lots subject to the Drainage Taxes (i) are owned by a Person other than a member of the Developer Group and (ii) have been improved by a residential dwelling which has received a certificate of occupancy from the applicable governmental entity having jurisdiction over the construction and occupancy of such dwelling. Whether Substantial Absorption has occurred shall be established by a written certification executed by the District and provided to the Trustee, upon which the Trustee shall conclusively rely as establishing the existence of Substantial Absorption. Once Substantial Absorption has occurred, it is not subject to change.

"Supervisor" means a member of the Board.

"Supplemental Resolution" means any resolution supplemental to this Resolution adopted by the Issuer in accordance with Article IX hereof.

"Tax Resolution" means Resolution No. 2022-05, adopted by the Issuer on June 22, 2022, levying special assessments upon the assessable land within the Unit, as such resolution may be amended from time to time.

"Taxable Bond" means any Bond other than a Tax-Exempt Bond.

"Tax-Exempt Bond" means any Bond that at the time of issuance thereof was accompanied by an opinion of Bond Counsel to the effect that the interest thereon is excluded from gross income of the Owner thereof for federal income tax purposes.

"Trustee" means the Person appointed and serving as such in accordance with Article VIII of this Resolution.

"Trust Estate" means the Drainage Taxes and any amounts held in the funds and accounts hereunder, to the extent pledged to the Owners pursuant to Section 5.01 hereof.

"Unit" means Unit of Development No. 1A of the Issuer, established pursuant to Resolution No. 2021-06 adopted by the Board on August 4, 2021, as heretofore and as may hereafter be modified from time to time in accordance with the Act (including as approved and re-confirmed pursuant to Resolution No. 2022-02, adopted on April 27, 2022).

Section 1.03. Resolution to Constitute a Contract. In consideration of the purchase and acceptance of any and all of the Bonds authorized to be issued hereunder by those who shall be the Owners thereof from time to time, this Resolution shall constitute a contract between the Issuer, the Insurer, if any, and the Owners, and all covenants and agreements herein set forth to be performed by the Issuer shall be for the equal and ratable benefit and security of all of the Owners without privilege, priority or distinction as to the lien or otherwise of any of the Bonds over any other of the Bonds, except as expressly provided in or permitted by this Resolution.

[End of Article I]

ARTICLE II

THE BONDS

Section 2.01. Limitations on Issuance of Bonds. No obligations of the Issuer payable from or secured by Drainage Taxes may be issued except in accordance with the provisions of this Article II.

After the issuance of the first series of Bonds, no additional Bonds may be issued except for (i) Bonds ("Refunding Bonds") issued for the purpose of refinancing other Bonds (the "Refunded Bonds") if, and only if, the refinancing results in a present value reduction in debt service as of the date of issuance of the Refunding Bonds, calculated by using the arbitrage yield on the Refunding Bonds as the discount rate, (ii) Bonds (the "New Bonds") issued with the prior written consent of the Owners of a majority in principal amount of the Outstanding Bonds (not including the New Bonds) for the purpose of financing a portion of the Cost of the Project or (iii) Bonds issued after Substantial Absorption.

Section 2.02. Authorization of Bonds. Subject and pursuant to the provisions of this Resolution (including, particularly, Section 4.01 hereof), special obligations of the Issuer to be known as "Improvement Bonds, Unit of Development No. 1A" are hereby authorized to be issued in one or more series under and secured by this Resolution, in an aggregate principal amount not to exceed \$227,353,500.00 for the purpose of financing all or a portion of the Cost of the Project, and/or refunding any Bonds, including paying costs incidental to the issuance of such Bonds. The designation of Bonds issued for the purpose, in whole or in part, of refunding other obligations of the Issuer for the Unit shall include the word "Refunding." The designation of Taxable Bonds shall include the word "Taxable." The principal amount of Bonds issued may not exceed 90% of the Benefit. Bonds may be issued for the purpose of refunding previously issued Bonds, and in such event, for purposes of calculating the foregoing limitations, the Bonds to be refunded shall not be taken into account except to the extent of the principal amount thereof paid, whether prior to or after the issuance of the refunding Bonds, from proceeds of the Drainage Taxes levied pursuant to the Tax Resolution.

All Bonds shall be on a parity with all other Bonds for all purposes of this Resolution, including the right to payment and lien on the Drainage Taxes and amounts in the funds and accounts established hereunder, except that any amounts in a separate account in the Bond Fund, Cost of Issuance Fund, Project Fund and/or Reserve Fund established in connection with a series of Bonds shall be subject to a lien and right to payment only in respect of such series of Bonds.

After the issuance of any Tax-Exempt Bonds, no other Bond shall be issued unless, in the opinion of Bond Counsel, the issuance of such Bonds will not result in the interest on any Tax-Exempt Bonds becoming includable in the gross income of the Owners thereof for federal income tax purposes.

Section 2.03. Description of Bonds; Medium of Payment. Each series of Bonds shall bear a series designation to distinguish it from all other series of Bonds, shall be dated, shall be stated to mature, subject to the right of prior optional or mandatory redemption, or both, if any, on such dates at annual intervals within forty years from its date of issuance, shall be in the principal amount, shall bear interest at such rate or rates not in excess of the maximum rate permitted by law, payable on such Interest Payment Dates, shall be in registered form, shall have such other details, and shall be sold in such manner to such purchasers upon the payment of such purchase

price, all as shall be provided herein and in a Supplemental Resolution applicable to such series of Bonds. Unless otherwise provided in a Supplemental Resolution with respect to a series of Bonds, the Bonds shall be issued in the denomination of \$5,000 or any integral multiple in excess thereof.

The principal of, premium, if any, and the interest on the Bonds shall be payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

Section 2.04. Execution of Bonds. The Bonds shall be executed on behalf of the Issuer with the manual or facsimile signature of the President or in the absence or inability to act of the President, any other member of the Board, and shall have impressed or imprinted thereon the official seal of the Issuer or a facsimile thereof, and be attested with the manual or facsimile signature of the Secretary or in the absence or inability to act of the Secretary, any other member of the Board. All authorized facsimile signatures shall have the same force and effect as if manually signed. In case any Supervisor or officer whose manual or facsimile signature shall appear on the Bonds shall cease to be such Supervisor or officer before the delivery of such Bonds, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes, the same as if such signatory had remained a Supervisor or such officer until delivery. Any Bond may be executed on behalf of the Issuer by a Supervisor who, at the time of execution is the proper person, although on the date of such Bond that person was not the proper person.

Section 2.05. Authentication. No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this Resolution unless and until a certificate of authentication on such Bond has been duly executed on behalf of the Trustee by the manual or facsimile signature of its authorized signatory; such executed certificate of the Trustee upon any Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Resolution. The Trustee's certificate of authentication on any Bond shall be deemed to have been executed by it if signed by an authorized signatory of the Trustee, but it shall not be necessary that the same signatory execute the certificate of authentication on all of the Bonds. At least one of the signatures on each Bond required by Section 2.04 or 2.05 hereof shall be a manual signature.

Section 2.06. Form of Bonds. The Bonds are to be in substantially the form set forth on Exhibit A attached hereto, with such variations, omissions and insertions as permitted or required by this Resolution or a Supplemental Resolution.

Section 2.07. Mutilated, Lost, Stolen or Destroyed Bonds. In the event any Bond is mutilated, lost, stolen or destroyed, the Issuer shall execute and the Trustee shall authenticate a new Bond of the same series, of like date, interest rate, maturity and denomination to that of the mutilated, lost, stolen or destroyed Bond; provided that, in the case of any mutilated Bond, such mutilated Bond shall first be surrendered to the Trustee, and in the case of any lost, stolen or destroyed Bond, there first shall be furnished to the Issuer and the Trustee evidence of such loss, theft or destruction satisfactory to the Trustee and not objected to by the Issuer, together with an indemnity satisfactory to the Trustee and not objected to by the Issuer. In the event any such Bond shall have matured or been called for redemption, instead of issuing a duplicate Bond, the Trustee, on behalf of the Issuer, may pay the same without surrender thereof, making such requirements as it deems fit for its protection and that of the Issuer, including the furnishing of evidence and indemnity the same as in the case of the issuance of a new Bond. The Issuer and the Trustee may charge the Owner of such Bond with their reasonable fees and expenses (including attorney's fees,

costs and expenses, if any) for such service and any tax or other governmental charge in connection therewith.

Section 2.08. Registration and Exchange of Bonds; Persons Treated as Owners. So long as any of the Bonds shall remain unpaid, the Issuer will cause books for the registration and transfer of such Bonds to be maintained and kept at the Designated Office of the Trustee, acting, only for purposes of Treasury Regulation Section 5f.103-1(c)(1)(i), as agent of the Issuer. The Bonds shall be transferable only upon the Bond Register. Notwithstanding the foregoing, a Supplemental Resolution may authorize the issuance of Taxable Bonds in bearer form.

At reasonable times and under reasonable regulations established by the Trustee, the Bond Register with respect to a series of Bonds may be inspected and copied by the Issuer, the Insurer of such series, if any, or by any Owner (or a representative of one or more Owners) of ten percent or more in aggregate principal amount of Bonds of such series then Outstanding.

Bonds of any series may be exchanged, at the option of their Owner, for Bonds of any authorized denomination or denominations of the same series in an aggregate principal amount equal to the unmatured and unredeemed principal amount of, and bearing interest at the same rate and maturing on the same date or dates as, the Bonds being exchanged. The exchange shall be made upon presentation and surrender at the Designated Office of the Trustee of the Bond being exchanged, duly endorsed for exchange (or accompanied by an assignment duly executed) by the Owner or the Owner's attorney-in-fact duly authorized in writing; provided, however, while Bonds are maintained under a book-entry only system, no presentation of Bonds is required.

Any Bond may be transferred upon presentation and surrender at the Designated Office of the Trustee of the Bond being transferred, duly endorsed for transfer (or accompanied by an assignment duly executed) by the Owner or the Owner's attorney-in-fact duly authorized in writing. Upon transfer of any Bond the Trustee shall deliver to the transferee a new Bond or Bonds of the same series registered in the name of the transferee, of any authorized denomination or denominations in an aggregate principal amount equal to the unmatured and unredeemed principal amount of, and bearing interest at the same rate and maturing on the same date or dates as, the Bond presented and surrendered for transfer. Upon any transfer of Bonds not held in a book-entry only system, the transferor will provide or cause to be provided to the Trustee cost basis information necessary for the Trustee to comply any applicable tax reporting obligations, including without limitation any cost basis reporting obligations under Code Section 6045, as amended. The Trustee shall conclusively rely on the information provided to it and shall have no responsibility to verify or ensure the accuracy of such information.

In all cases in which Bonds shall be exchanged or transferred hereunder, the Issuer shall execute, and the Trustee shall authenticate and deliver Bonds in accordance with the provisions of this Resolution. In each case, the Issuer and the Trustee may require the payment by the Owner requesting exchange or transfer of any tax or other governmental charge required to be paid with respect to such exchange or transfer and such charge shall be paid before a new Bond is issued.

Neither the Issuer nor the Trustee shall be required to transfer or exchange any Bond of a series during the period beginning ten Business Days before the date of the mailing of a notice of redemption of Bonds of such series and ending at the close of business at the Designated Office of the Trustee on the day of such mailing, or to transfer or exchange any Bond called for redemption, in whole or in part.

Bonds delivered upon any transfer or exchange as provided herein, or in replacement of a lost, stolen, destroyed or mutilated Bond as provided in Section 2.07 hereof, shall be valid limited obligations of the Issuer, evidencing the same debt as the Bonds surrendered for transfer or exchange, mutilated, lost, stolen or destroyed, shall be secured by this Resolution and shall be entitled to all the security and benefits hereof to the same extent as the Bonds surrendered for transfer or exchange, mutilated, lost, stolen or destroyed, as the case may be.

The Person in whose name any Bond shall be registered on the Bond Register shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of principal, premium, if any, and interest on any Bond shall be made only to or upon the written order of the Owner or the Owner's duly authorized attorney-in-fact. 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.

Section 2.09. Destruction of Bonds. Whenever any Bond shall be delivered to the Trustee upon payment of the principal amount, in whole or in part, and premium, if any, and interest represented thereby, or for replacement pursuant to Sections 2.07 or 2.08 hereof, or otherwise for cancellation, such Bond shall be promptly canceled and cremated or otherwise destroyed, and a certificate of destruction evidencing such cremation or other destruction shall be retained by the Trustee and a copy thereof shall be forwarded to the Issuer upon request.

Section 2.10. Issuance of Bonds. Prior to the issuance of any series of the Bonds there shall be filed with the Trustee:

- (1) A copy, duly certified by the Secretary or a Supervisor, of this Resolution and the Supplemental Resolution or Resolutions adopted by the Issuer authorizing the issuance of such series of Bonds and fixing the details thereof;
- (2) A request and authorization of the Issuer to the Trustee, signed by the President, or in the absence or inability to act of the President, any other member of the Board, to authenticate and deliver the Bonds to the Original Purchaser, upon payment to or for the account of the Issuer, of a sum specified in such request and authorization;
- (3) A copy, duly certified as being in full force and effect by the Secretary or a Supervisor, of the Tax Resolution; and
- (4) An opinion or opinions of Bond Counsel to the effect that the issuance of such Bonds is permitted hereby and by applicable law.

[End of Article II]

ARTICLE III

REDEMPTION OF BONDS BEFORE MATURITY

Section 3.01. Authorization of Redemption Provisions. The Bonds may be subject to redemption prior to maturity in the manner and on such date or dates as specified by Supplemental Resolution(s).

Section 3.02. Notice of Redemption. Unless otherwise provided in a Supplemental Resolution for a series of Bonds, notice of the call for any redemption of Bonds shall be given by the Trustee by mailing a copy of a redemption notice by Mail, at least thirty days and not more than sixty days prior to the date fixed for redemption, to the Owner, as shown on the Bond Register at the close of business at the Designated Office of the Trustee on the Record Date, of each Bond to be redeemed in whole or in part at the address of such Owner shown on the Bond Register. No notice of the optional redemption of Bonds may be given unless funds for such redemption are irrevocably deposited with the Trustee prior to giving such notice or unless the notice expressly states that the redemption is subject to deposit of funds by the Issuer. The notice of redemption shall state:

- (i) the redemption date;
- (ii) the redemption price;
- (iii) the date of the notice of redemption;
- (iv) the series designation of the Bonds being redeemed;
- (v) if less than all Bonds of a series or maturity are to be redeemed, the distinctive numbers and letters, including CUSIP numbers, if any, of such Bonds to be redeemed;
- (vi) in the case of Bonds to be redeemed in part only, the portion of the principal amount thereof to be redeemed;
- (vii) that on the redemption date the redemption price will become due and payable upon each such Bond or portion called for redemption, and that, sufficient moneys being on hand with the Trustee and available to pay such redemption price, interest thereon shall cease to accrue from and after said date;
- (viii) the place where such Bonds are to be surrendered for redemption, and giving the name, address, and telephone number of the Trustee and listing a contact person; and,
- (ix) if any Bond is to be redeemed in part only, the notice of redemption which relates to such Bond shall also state that on or after the redemption date, upon surrender of such Bond, a new Bond or Bonds in a principal amount equal to the unredeemed portion of such Bond will be issued.

A notice of optional redemption may be conditioned upon the availability of funds to pay the redemption price of the Bonds to be redeemed on the redemption date, or to any other condition specified by the Issuer, and in such event, the notice of redemption shall expressly state that it is subject to such condition. In the event that a conditional notice of redemption is given and in the event that the condition is not satisfied, such Bonds shall continue to be Outstanding as if such notice had not been given. Provided, however, that in such event the Trustee shall on behalf of the Issuer mail a notice to the Owners of the Bonds subject to such conditional notice stating that the condition to the call was not satisfied and that the Bonds shall remain outstanding.

The failure to give such notice, or any defect therein, shall not affect the validity of any proceedings for the redemption of any Bond with respect to which no such failure has occurred. Any notice prepared and mailed as provided in this Section shall be conclusively presumed to have been duly given, whether or not the Owner receives the notice.

The Trustee shall send an additional copy of the redemption notice, by registered or certified mail, to any Owner of a Bond called for redemption in whole or in part which has not been presented for redemption by the sixtieth day after the redemption date, such notice to be sent by the Trustee at any time after the sixtieth day after the redemption date and before the ninetieth day after the redemption date. Failure of the Trustee to send any such additional notice shall not affect the validity of any proceedings for the redemption of Bonds.

Section 3.03. Redemption Payments. Upon the giving of notice of redemption in accordance with Section 3.02 hereof, the Bonds or portions thereof called for redemption shall become due and payable on the redemption date at the redemption price and, if the funds necessary to effect such redemption are on deposit with the Trustee and available therefor, such Bonds or portions thereof shall cease to bear interest from and after the redemption date; and such Bonds or portions thereof shall cease from and after the redemption date to be entitled to any benefit of or security under this Resolution, and the Owners thereof shall have no rights in respect of such Bonds or portions thereof except the right to receive payment of the redemption price thereof. If any Bond or portion thereof called for redemption shall not be paid at the redemption date or upon surrender thereof for redemption, whichever is the later to occur, because moneys necessary to effect such redemption are not on deposit with the Trustee and available therefor, such Bond shall continue to bear interest as if it had not been called for redemption.

All moneys deposited with the Trustee for the redemption of particular Bonds or portions thereof shall be held in trust for the account of the Owners thereof and not for any other Bonds, and shall be paid to such Owners, respectively, upon presentation and surrender of those Bonds.

Section 3.04. Partial Redemption of Bonds. Unless otherwise provided by Supplemental Resolution, in the case of any partial redemption of Bonds of a particular series and maturity or maturities the Trustee shall select from such series and maturity or maturities the Bonds or portions thereof to be redeemed by lot or in such other random manner as the Trustee in its discretion may deem proper and, for this purpose, each \$5,000 unit of principal amount represented by any Bond shall be considered a separate Bond for purposes of selecting the Bonds to be redeemed. In case a Bond is of a denomination larger than \$5,000, a portion of such Bond (\$5,000 or any integral multiple thereof) may be redeemed, but Bonds shall be redeemed only in the principal amount of \$5,000 or any integral multiple thereof. If it is determined that one or more, but not all, of the \$5,000 units of principal amount represented by any Bond is to be called for redemption, then, upon notice of intention to redeem such \$5,000 units of principal amount of such Bond, the Owner of such Bond shall surrender such Bond (at the place designated in the notice of redemption) for payment to such Owner of the redemption price of the principal amount of such Bond called for redemption. If the Owner of any Bond of a denomination greater than \$5,000 shall fail to present such Bond to the Trustee for payment and exchange as aforesaid, such Bond shall, nevertheless, become due and payable on the date fixed for redemption to the extent of the \$5,000 units of principal amount called for redemption (and to that extent only).

Upon surrender of any Bond for redemption in part only, the Issuer shall execute and the Trustee shall authenticate and deliver or cause to be delivered to the Owner thereof, without

charge, a new Bond or Bonds of the same series and the same interest rate and maturity, of authorized denominations, in an aggregate principal amount equal to the unredeemed portion of the Bond surrendered.

Section 3.05. No Partial Redemption After Default. Anything in this Resolution to the contrary notwithstanding, if the payment of principal, premium, if any, or interest on the Bonds shall not be made when due and such default shall be continuing, there shall be no optional redemption of less than all of the Bonds Outstanding, unless such optional redemption shall cure such default.

Section 3.06. Qualification for Book-Entry Only Registration. To the extent authorized and directed by a Supplemental Resolution of the Issuer, the Issuer shall be authorized to enter into agreements with DTC and other depository trust companies, including, but not limited to, agreements necessary for wire transfers of interest and principal payments with respect to any series of Bonds, utilization of electronic book entry data received from DTC, and other depository trust companies in place of actual delivery of Bonds of a series and provision of notices with respect to Bonds of a series registered by DTC and other depository trust companies (or any of their designees identified to the Trustee) by overnight delivery, courier service, telegram, telecopy or other similar means of communication, including electronic communication.

[End of Article III]

ARTICLE IV

GENERAL COVENANTS OF ISSUER

Section 4.01. Levy of Drainage Taxes; Payment of Bonds. The Issuer will collect Drainage Taxes upon the lands within the Unit in accordance with the Act in amounts, subject to the limitations set forth herein and in the Act, sufficient, together with other legally available moneys of the Issuer, if any, to pay the principal of, premium, if any, and interest on the Bonds and to make any required deposits to the Reserve Fund as herein provided. The amount of Drainage Taxes, other than any portion thereof levied to pay interest on the Bonds, shall not exceed the benefits assessed against the lands in the Unit pursuant to the Act.

Section 4.02. Payment of Principal, Premium, if Any, and Interest; Limited Obligation. Subject to Section 4.01 hereof, the Issuer covenants that it will promptly pay the principal of, premium, if any, and interest on every Bond issued under this Resolution at the place, on the dates and in the manner provided herein and therein, provided that the principal of, premium, if any, and interest on the Bonds are payable solely from the Trust Estate and nothing in the Bonds or in this Resolution shall be construed as pledging any other funds or assets of Issuer. Neither the State nor the Issuer nor any other political subdivision of the State shall in any event be liable for the payment of the principal of, premium, if any, and interest on any of the Bonds or for the performance of any pledge, obligation or agreement undertaken by Issuer from any property other than the Trust Estate.

Section 4.03. Enforcement of Payment of Drainage Taxes. The Issuer will diligently and faithfully within the time required by law institute such actions to enforce the collection of all Drainage Taxes and any interest and penalties thereon in the manner provided by the Act. Any proceeds received by the Issuer (net of any costs of such action) from any action instituted to enforce the collection of any delinquent Drainage Taxes, including any proceeds from the sale of

lands or tax certificates, shall be deposited into the Bond Fund and/or Reserve Fund as provided in Sections 5.07 and 5.09 hereof.

Section 4.04. Performance of Covenants. The Issuer covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in this Resolution and in any and every Bond executed, authenticated and delivered hereunder and in all of its proceedings pertaining hereto. The Issuer covenants that it is duly authorized under the Constitution and laws of the State, including particularly and without limitation the Act, to issue the Bonds authorized hereby and to adopt this Resolution, and to pledge the Drainage Taxes and other amounts hereby pledged in the manner and to the extent herein set forth, that all action on its part for the adoption of this Resolution has been duly and effectively taken, and that the Bonds in the hands of the Owners will be valid and enforceable obligations of the Issuer according to the terms thereof and hereof.

Section 4.05. Instruments of Further Assurance. The Issuer will do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, any such further reasonable acts, instruments and transfers as may be necessary for the better assuring, transferring, conveying, pledging, assigning and confirming unto the Owners and the Trustee all and singular the amounts pledged hereby to the payment of the principal of, premium, if any, and interest on the Bonds.

Section 4.06. Books and Records. The Issuer shall keep an accurate record of the levy and the collection of the Drainage Taxes which books, records and accounts shall be kept separate and apart from all other books, records and accounts of the Issuer. Such record shall be open to the inspection of the Owners and their agents and representatives at all reasonable times. At any and all reasonable times the Owners, and their duly authorized agents, attorneys, experts, engineers, accountants and representatives, shall have the right fully to inspect any and all books and records of the Issuer pertaining to the Drainage Taxes and the Bonds, and to make such copies and memoranda from and with regard thereto as may be desired, in accordance with the provisions of the applicable public record laws of the State.

Section 4.07. Annual Audit. The Board shall, within one year after the end of each Fiscal Year, or such earlier date as may be required by law, cause the books, records and accounts relating to the Unit and the Bonds for the preceding Fiscal Year to be properly audited by an independent firm of certified public accountants. Such audits shall contain a complete report of operations of the Issuer and shall contain a certificate of the auditors disclosing any default on the part of the Issuer of any covenant herein that has been disclosed by reason of such audit, or stating that no such default has been disclosed. A copy of such annual audit shall be furnished by the Issuer to each Insurer, if any, and, upon the payment of the cost of reproduction and mailing, to any Owner of any Bond who shall have requested in writing that a copy of such audit be furnished to such Owner.

Section 4.08. Compliance with Tax Requirements. The Issuer hereby covenants and agrees, for the benefit of the Owners from time to time of the Tax-Exempt Bonds, to comply with the requirements applicable to it contained in Section 103 and Part IV of Subchapter B of Chapter 1 of the Code to the extent necessary to preserve the exclusion of interest on the Tax-Exempt Bonds from gross income for federal income tax purposes. Specifically, without intending to limit in any way the generality of the foregoing, the Issuer covenants and agrees:

(1) to pay to the United States of America from, to the extent legally available, the funds and sources of revenues pledged to the payment of the Bonds, and from any other legally available funds, at the times required pursuant to Section 148(f) of the Code, the excess of the amount earned on all non-purpose investments (as defined in Section 148(f)(6) of the Code) (other than investments attributed to an excess described in this sentence) over the amount which would have been earned if such non-purpose investments were invested at a rate equal to the yield on the Tax-Exempt Bonds, plus any income attributable to such excess (the "Rebate Amount");

(2) to maintain and retain all records pertaining to and to be responsible for making or causing to be made all determinations and calculations of the Rebate Amount and required payments of the Rebate Amount as shall be necessary to comply with the Code;

(3) to refrain from using proceeds of the Bonds in a manner that would cause the Tax-Exempt Bonds or any of them, to be classified as private activity bonds under Section 141(a) of the Code; and

(4) to take any action, including the making of any "yield reduction payment" pursuant to Treas. Reg. Section 1.148-5(c), that would prevent the Tax-Exempt Bonds from becoming, and to refrain from taking any action that would cause the Tax-Exempt Bonds to become, arbitrage bonds under Section 103(b) and Section 148 of the Code.

The Issuer understands that the foregoing covenants impose continuing obligations on the Issuer to comply with the requirements of Section 103 and Part IV of Subchapter B of Chapter 1 of the Code so long as such requirements are applicable.

Notwithstanding any other provision of this Resolution, the Trust Estate may be used to satisfy the Issuer's obligations under this Section 4.08 provided that such use does not impair the Issuer's ability to pay the principal of, premium, if any, and interest on the Bonds as the same becomes due and payable.

Unless otherwise specified in a Supplemental Resolution, the Issuer shall designate a certified public accountant, Bond Counsel, or other professional consultant having the skill and expertise necessary (the "Rebate Analyst") to make any and all calculations required pursuant to this Section regarding the Rebate Amount. Such calculation shall be made in the manner and at such times as specified in the Code. The Issuer shall engage and shall be responsible for paying the fees and expenses of the Rebate Analyst.

Section 4.09. Completion and Maintenance of Project. The Issuer will complete each Project with all reasonable dispatch in a sound and economical manner and will in accordance with the Act and the Plan of Improvements maintain each Project owned by it in good condition and state of repair. All Improvements financed in whole or in part with proceeds of Tax-Exempt Bonds will be owned by the Issuer or another political subdivision of the State and all Improvements shall be available for use by the general public on the same basis, subject only to conditions imposed by the Issuer or another political subdivision of the State as may be necessary to protect the health, safety and general welfare of the Unit and its inhabitants, visitors, property owners and workers or to protect such Improvements from damage, misuse, or destruction, unless the Issuer shall obtain

an opinion of Bond Counsel that non-compliance with the foregoing will not in and of itself adversely affect any exclusion from gross income of the interest on such Tax-Exempt Bonds.

The Issuer shall observe and perform all of the terms and conditions contained in the Act, and shall comply with all valid acts, rules, regulations, orders and directions of any legislative, executive, administrative or judicial body applicable to the Project.

Section 4.10. No Amendment of Plan of Improvements. The Issuer covenants that it will not amend the Plan of Improvements or Engineer's Report except in accordance with the Act and, except with respect to amendments which, in the opinion of the Issuer after consultation with the Issuer's Engineer, are of a nature that do not change the overall character or use of the Improvements, unless the Issuer shall first receive an opinion of Bond Counsel to the effect that any such amendment, and the completion of the Project, as modified, if applicable, will not adversely affect the tax-exempt status of any of the Tax-Exempt Bonds; provided, however, no such opinion is required if any such amendment, and the completion of the Project, as modified, if applicable, does not relate to or otherwise impact portions of the Project funded by Tax-Exempt Bonds.

Section 4.11. Other Assessments. Unless Substantial Absorption has occurred, the District will not hereafter approve a "water control plan," within the meaning of Section 298.225, Florida Statutes, with respect to any portion of the land in the Unit without the prior written consent of the owners of at least a majority in aggregate principal amount of the Outstanding Bonds.

[End of Article IV]

ARTICLE V

REVENUES AND FUNDS

Section 5.01. Bonds Secured by Lien on Drainage Taxes. The Bonds shall be payable solely from and shall be secured solely by, and the Issuer hereby grants to the Owners, a lien on and pledge of the Drainage Taxes, and, subject to application thereof as provided herein, any amounts held in the funds and accounts established hereunder, provided, that, if so provided by the applicable Supplemental Resolution, any amounts on deposit in a separate account of the Bond Fund, Cost of Issuance Fund, Reserve Fund and/or Project Fund created in connection with a series of Bonds shall be subject to a lien in favor of and right to payment with respect to only such series of Bonds. The Issuer covenants that until all Outstanding Bonds together with any interest thereon shall have been paid or provision made for their payment it will not create or permit to be created any charge or lien on the Drainage Taxes or the funds and accounts created hereunder whether ranking prior to, equal with or subordinate to the charge or lien of the Bonds issued pursuant to this Resolution. The Bonds and the obligations evidenced thereby shall not be general obligations or indebtedness of the Issuer but shall be special limited obligations payable solely from the sources provided herein. No Owner shall ever have the right to compel the exercise of any taxing power of the Issuer to pay the Bonds or the interest thereon except as provided herein, or to make any other payments provided for in this Resolution, or be entitled to payment of such principal and interest from any funds other than those pledged herein for such purpose. The Bonds shall not constitute a lien upon any of the real or personal property of the Issuer other than the Trust Estate.

Section 5.02. Creation of Funds. Upon the issuance of the first series of Bonds there shall be created and established the following funds to be held by the Trustee in trust upon the terms and

provisions hereof until such time as no Bonds are Outstanding (unless earlier closed in accordance herewith):

- (a) A Bond Fund;
- (b) A Project Fund;
- (c) A Reserve Fund; and
- (d) A Cost of Issuance Fund.

A separate principal account and interest account may be created in the Bond Fund in connection with each series of Bonds pursuant to the related Supplemental Resolution. Amounts in such accounts in the Bond Fund shall be applied in the manner provided for in the related Supplemental Resolution. A separate account shall be created in each of the other foregoing Funds in connection with each series of Bonds pursuant to the related Supplemental Resolution.

Section 5.03. Disposition of Bond Proceeds. Proceeds from the sale of any series of Bonds shall be applied pursuant to a Supplemental Resolution adopted prior to the issuance of such series of Bonds.

Section 5.04. Disbursements From and Records of Cost of Issuance Fund. Amounts shall be deposited in the accounts in the Cost of Issuance Fund pursuant to Supplemental Resolution(s). Amounts in an account in the Cost of Issuance Fund shall be used to pay the costs of issuance of the series of Bonds to which such account relates as the same shall be incurred. The Trustee shall make disbursements from the Cost of Issuance Fund only upon receipt of a Disbursement Approval signed by an Issuer Representative. Except as otherwise provided in a Supplemental Resolution relating to a series of Bonds, upon written certification to the Trustee by the Issuer that any funds remaining in an account of the Cost of Issuance Fund are unnecessary for the purposes of such account, such funds shall be transferred first to the account in the Reserve Fund established in connection with the same series of Bonds to which the account in the Cost of Issuance Fund relates to the extent of any deficiency therein and then to the principal account in the Bond Fund established in connection with the same series of Bonds to which the account in the Cost of Issuance Fund relates, and such account in the Cost of Issuance Fund shall then be closed.

Section 5.05. Payments into Project Fund. Amounts shall be deposited in the accounts in the Project Fund pursuant to Supplemental Resolution(s).

Section 5.06. Disbursements from and Records of Project Fund; Completion Date.

(a) Monies in the Project Fund shall be used to pay the Cost of the Project as the same shall be incurred. Amounts in an account in the Project Fund shall be expended solely for the purposes described in the Supplemental Resolution that created such account.

(b) The Trustee shall make disbursements from the Project Fund only upon receipt of a Disbursement Approval signed by an Issuer Representative. The Issuer Representative shall not sign a Disbursement Approval except upon the approval of the Board. If so requested in writing by the Issuer, after the Project Fund or any account therein has been fully disbursed, the Trustee shall file copies of the records pertaining to the Project Fund and disbursements therefrom with the Issuer, provided that the Trustee shall keep such records until no Bonds remain Outstanding.

(c) The final completion of the portion of the Project to be funded from a series of Bonds in accordance with the Plan of Improvements shall be determined by the Issuer's Engineer who shall indicate such fact in writing to the Issuer and the Trustee. Upon the completion of a portion of the Project funded from a series of Bonds, and payment of all costs thereof that are to be paid from a related account in the Project Fund, as provided herein, or upon a determination of the Issuer that no further Costs of such portion of the Project shall be paid from such account in the Project Fund, which determination shall be based in part upon a written opinion of Issuer's Counsel or Bond Counsel that such determination and the application of remaining amounts in such account in the Project Fund as hereafter set forth are permitted by the Act and do not legally impair the Issuer's ability to impose the Drainage Taxes, any unused proceeds of a series of Bonds remaining in such account in the Project Fund shall first be deposited in the account in the Reserve Fund established in connection with the same series of Bonds as to which such account in the Project Fund was established to the extent of any deficiency therein and any remaining amounts shall thereafter be deposited in the principal account in the Bond Fund established for the applicable series of Bonds for which such account in the Project Fund was established and applied to the payment or redemption of Bonds of such series in accordance with Section 5.08 and the related Supplemental Resolution. Any transfers from the Project Fund to the Reserve Fund and/or the Bond Fund as provided in this Section 5.06(c) shall be made by the Trustee only upon the written direction of the Issuer, upon which the Trustee may conclusively rely.

Section 5.07. Payments into Bond Fund. There shall be deposited to the credit of the Bond Fund such amount, if any, as may be set forth in the applicable Supplemental Resolution. The Issuer covenants and agrees to deposit to the credit of the various accounts in the Bond Fund, as and when received, all Drainage Tax proceeds, which amounts, together with other moneys on deposit therein, shall be sufficient to pay the principal, premium, if any, and interest on the Bonds as the same shall become due and payable whether at maturity or upon proceedings for mandatory or optional redemption.

Amounts deposited in the Bond Fund in any Bond Year shall be credited among the various accounts therein in the same proportion that the debt service coming due in such Bond Year on each of the various series of Bonds secured by such account bears to the total debt service coming due in such Bond Year on all Bonds. The Issuer shall instruct the Trustee in writing as to the application of each deposit made by the Issuer to the credit of the Bond Fund, and the Trustee may conclusively rely upon such direction.

The Issuer shall not be required to make any further payments into the Bond Fund when the aggregate amount on deposit therein and in the account in the Reserve Fund established in connection with the same series of Bonds as to which such account in the Bond Fund was established is at least equal to the total amount of principal, premium, if any, and interest due or to become due on the then Outstanding Bonds of the series as to which such account relates until their scheduled maturity or redemption.

Section 5.08. Payments from Bond Fund. As may more fully be provided for in a Supplemental Resolution, moneys in a principal and an interest account of the Bond Fund shall be used solely to pay, respectively, principal, premium, if any, and interest on the Bonds outstanding of the series of Bonds to which such account relates when due whether at maturity or upon mandatory or optional redemption. As may more fully be provided for in a Supplemental Resolution, the Trustee shall, from time to time, as principal and premium, if any, shall become due on a series of Bonds, withdraw from the applicable principal account for payment to the

Owners of such series of Bonds, such amounts as shall be due and payable on such series of Bonds, and as interest on a series of Bonds becomes due, shall withdraw from the applicable interest account for payment to the Owners of such series of Bonds such amounts as shall be due and payable. If on the fifth business day prior to an Interest Payment Date there shall be insufficient funds in the Bond Fund to pay debt service due on the Bonds on such Interest Payment Date, the Trustee shall, either by telephone or telefacsimile, notify the Issuer of the amount of such deficiency.

Section 5.09. Payments into Reserve Fund; Disbursements. There shall be deposited in an account in the Reserve Fund the amount, if any, set forth in a Supplemental Resolution. No further payments shall be required to be made into any account of the Reserve Fund as long as there shall be on deposit therein an amount equal to the Reserve Fund Requirement therefor. If at any time the amount on deposit in an account of the Reserve Fund is less than the Reserve Fund Requirement therefor, the Issuer may, but shall not be required to, restore such deficiency from legally available funds of the Issuer, otherwise such deficiency shall be subsequently restored from the first Drainage Tax proceeds available therefore after all required current payments pursuant to Section 5.07 hereof have been made in full, and the Issuer shall, subject to the limitations set forth in the Act, levy Drainage Taxes sufficient to restore such deficiency at the earliest legal opportunity. If at any time there shall be a deficiency in more than one account in the Reserve Fund, except as provided in Section 5.04 and 5.06 hereof, funds available for deposit to the Reserve Fund shall be allocated among the accounts as to which the deficiency exists pro-rata, based upon the relative deficiencies among all such accounts.

If at any time the amount on deposit in an account in the Reserve Fund relating to a series of Bonds exceeds the related Reserve Fund Requirement therefor, the excess amount shall (i) if the portion of the Project to be funded by such series of Bonds has not been completed or if such portion of the Project has been completed but any portion of the Cost thereof was paid by the Developer, be deposited in the account of the Project Fund established in connection with the same series of Bonds as to which the account in the Reserve Fund was established and be applied in accordance with Section 5.06 hereof or (ii) except as provided in (i) or as otherwise provided in a Supplemental Resolution, be deposited into the principal account of the Bond Fund established in connection with the same series of Bonds as to which account in the Reserve Fund was established and credited against any future money required to be deposited into such account.

Moneys in an account of the Reserve Fund shall be used only for the purpose of making payments into the account of the Bond Fund established in connection with the same series of Bonds as to which account in the Reserve Fund was established to the extent the amounts otherwise therein are insufficient for the purposes established for such account and for no other purpose. If at any time there shall be insufficient funds in an account of the Bond Fund to fulfill the requirements established for such account, the Trustee shall transfer from the account of the Reserve Fund established in connection with the same series of the Bonds as to which such account in Bond Fund was established and deposit into such account of the Bond Fund an amount equal to such deficiency.

The Issuer shall not be required to make any further payments into an account of the Reserve Fund when the aggregate amount on deposit therein and in the account of the Bond Fund established in connection with the same series of Bonds as to which account in the Reserve Fund was established is at least equal to the total amount of principal, premium, if any, and interest due

or to become due on the then Outstanding Bonds of such series to which such account relates until their scheduled maturity or redemption.

Notwithstanding the foregoing provisions, with the written consent of each Insurer of Bonds secured thereby, in lieu of the required deposits into an account of the Reserve Fund, and/or in substitution for money on deposit in an account of the Reserve Fund, the Issuer may, at its sole option and discretion, cause to be deposited a Reserve Fund Insurance Policy in an amount equal to the difference between the Reserve Fund Requirement applicable thereto and the sums then on deposit in such account of the Reserve Fund, if any, and, in the case of a substitution of a Reserve Fund Insurance Policy for money on deposit in such account of the Reserve Fund, the Issuer may withdraw money from such account of the Reserve Fund in excess of the Reserve Fund Requirement and may use such money for any lawful purpose provided the Issuer first obtains an opinion of Bond Counsel that such use is permitted and will not, in and of itself, adversely affect the exclusion from gross income of interest on any Tax-Exempt Bonds. Such Reserve Fund Insurance Policy shall be payable to the Trustee for such series (upon the giving of notice as required thereunder) on any interest payment or redemption date on which a deficiency exists which cannot be cured by funds in any other fund or account held pursuant to this Resolution and available for such purpose.

If five days prior to an interest or principal payment or redemption date, the Issuer shall determine that a deficiency exists in the amount of moneys available to pay in accordance with the terms hereof interest and/or principal due on Bonds on such date, the Issuer shall immediately notify (a) the issuer of the applicable Reserve Fund Insurance Policy, and (b) the Insurer, if any, of the amount of such deficiency and the date on which such payment is due, and shall take all action to cause such issuer or Insurer to provide moneys sufficient to pay all amounts due on such interest or principal payment or redemption date.

If a disbursement is made from a Reserve Fund Insurance Policy provided pursuant to this Section 5.09, the Issuer shall cause to be restored or reinstated the maximum limits of such Reserve Fund Insurance Policy following such disbursement from moneys becoming available in the applicable account of the Reserve Fund in accordance with the provisions of the first paragraph of this Section 5.09, by depositing funds in the amount of the disbursement made under such instrument with the issuer thereof. In addition, after the amount on deposit in the applicable account of the Reserve Fund equals the Reserve Fund Requirement therefor, the Issuer shall reimburse the issuer of the Reserve Fund Insurance Policy for interest and all reasonable expenses incurred by such issuer in connection with the draw on such Reserve Fund Insurance, as the case may be, if the Issuer is so obligated under the terms of the Reserve Fund Insurance Policy.

The Issuer may evidence its obligation to reimburse the issuer of any Reserve Fund Insurance Policy by executing and delivering to such issuer a promissory note or other written evidence thereof, provided, however, any such note or written evidence (a) shall not be a general obligation of the Issuer the payment of which is secured by the full faith and credit or taxing power of the Issuer, and (b) shall be payable solely from moneys available in the applicable account of the Reserve Fund in accordance with the provisions of the first paragraph of this Section 5.09.

Section 5.10. Nonpresentment of Bonds; Disposition of Unclaimed Money. In the event any Bond shall not be presented for payment when the principal thereof becomes due, either at maturity, or otherwise, if funds sufficient to pay any such Bond shall have been made available to the Trustee for the benefit of the Owner thereof, all liability of the Issuer to the Owner thereof for

the payment of such Bond shall forthwith cease, determine and be completely discharged, and thereupon it shall be the duty of the Trustee to hold such funds, without liability for any subsequent interest thereon, for the benefit of the Owner of such Bond, who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on the part of such Owner under this Resolution or on, or with respect to, such Bond. Any moneys so deposited with and held by the Trustee for the payment of Bonds not so claimed within two years after the date the payment of such Bonds shall have become due, whether at maturity or otherwise, shall be presumed abandoned and shall be returned to the Issuer, and the Issuer shall comply with the provisions of Chapter 717, Florida Statutes, or any successor thereof, in respect of such moneys.

Section 5.11. Moneys To Be Held in Trust. Subject to the provisions hereof concerning amounts in accounts in the Bond Fund, Reserve Fund, Cost of Issuance Fund and Project Fund, all moneys required to be deposited with or paid to the Trustee for the account of any fund referred to in any provision of this Resolution shall be held by the Trustee in trust for the benefit of the Owners, and except for moneys deposited with or paid to the Trustee for the purchase of Bonds, notice of the purchase of which has been duly given, shall, while held by the Trustee, constitute part of the Trust Estate and be subject to the lien or security interest created hereby.

Section 5.12. Repayment to Issuer From Funds. Any amounts remaining in any accounts in the Bond Fund (except amounts held by the Trustee pursuant to Section 5.10 hereof), Project Fund (after the completion or abandonment of the Project pursuant to Section 5.06 hereof), Cost of Issuance Fund or Reserve Fund, after the payment in full of the principal of, premium, if any, and interest on the series of Bonds to which such accounts relate, the fees, charges and expenses of the Issuer and the Trustee and all other amounts required to be paid hereunder, shall be paid to the Issuer.

Section 5.13. Application of Funds Upon Refunding. Notwithstanding any other provision hereof, in the event of a refunding of Bonds of a series, amounts in the account of the Bond Fund for such series in excess of amounts needed to pay debt service on Outstanding Bonds of such series not being refunded, amounts in the account of the Reserve Fund for such series in excess of the Reserve Fund Requirement for the Outstanding Bonds of such series not being refunded and proceeds of such Bonds being refunded as are on deposit in a separate account in the Project Fund, may at the written direction of the Issuer be applied by the Issuer to the payment of the Bonds being refunded.

In addition to the foregoing, amounts on deposit in the Bond Fund, Reserve Fund and Project Fund, as aforesaid, may also be applied to such other use as directed by the Issuer in writing, provided that the Issuer shall have received an opinion of Bond Counsel to the effect that such use is permitted by the Act, and would not adversely affect the exclusion from gross income of interest on the Tax-Exempt Bonds.

[End of Article V]

ARTICLE VI

INVESTMENT OF MONEYS

Section 6.01. Investment of Moneys.

(a) Any moneys held as part of the Bond Fund, Project Fund, Cost of Issuance Fund or Reserve Fund shall be invested and reinvested by the Trustee, at the written direction of the Issuer in Qualified Investments maturing at such times and in such amounts as shall enable the Issuer to make timely payment of all amounts due hereunder and as otherwise provided in a applicable Supplemental Resolution. Any such Qualified Investments shall be held by or under the control of the Trustee. The Trustee shall sell and reduce to cash such Qualified Investments upon the written direction of the Issuer, but in any event at such times as are necessary to timely make all payments required hereunder. Investments and earnings and losses thereon in each fund and account hereunder shall be a part of such fund or account except as otherwise set forth herein.

(b) If the Issuer does not provide written directions to the Trustee for investment of funds in accordance with the requirements hereof, the Trustee shall hold such moneys uninvested and promptly request investment instructions from the Issuer. In making investments hereunder, or in selling or disposing of investments as required hereby, the Trustee shall be fully protected in relying solely upon the directions of the Issuer as aforesaid. The Trustee shall conclusively rely upon the Issuer's written instructions as to both the suitability and legality of all directed investments. The Trustee may make any and all such investments through its own investment department or that of its affiliates or subsidiaries and may charge its ordinary and customary fees for such investments. Under no circumstances whatsoever shall the Trustee be liable to the Issuer or any Owner for any loss of tax-exempt status of the Tax-Exempt Bonds, or any claims, demands, damages, liabilities, losses, costs or expenses resulting therefrom or in any way connected therewith, including for any losses on any investments, so long as the Trustee acts only in accordance with the directions of the Issuer as provided hereunder. Although the Issuer recognizes that it may obtain a broker confirmation or written statement containing comparable information at no additional cost, the Issuer hereby agrees that broker confirmations of investments are not required to be issued by the Trustee for each month in which a monthly statement is rendered or made available by the Trustee.

(c) For the purpose of determining the amount on deposit in any Fund, investments therein shall be valued at fair market value. The Trustee shall value the amounts on deposit in the Bond Fund and the Reserve Fund (i) on August 1 (or if not a Business Day, the next succeeding Business Day) of each year after the payment of debt service on the Bonds due on such date, (ii) on the day after any withdrawal from the Reserve Fund, and (iii) on such other date or dates as the Issuer may direct in writing.

[End of Article VI]

ARTICLE VII

DISCHARGE OF LIEN

Section 7.01. Discharge of Lien. If the Issuer shall pay or cause to be paid to the Owners of the Bonds the principal of, premium, if any, and interest due or to become due on the Bonds at the times and in the manner stipulated therein and herein, and if the Issuer is not in default in any of the other covenants and promises in the Bonds and in this Resolution or any Supplemental Resolution expressed as to be kept, performed and observed by it or on its part, and if the Issuer shall pay or cause to be paid to the Trustee all sums of money due or to become due according to the provisions hereof, then these presents and the estate and rights hereby granted shall cease, determine and be void, whereupon the Trustee shall, upon written demand of the Issuer, execute and deliver to the Issuer such instruments in writing, if any, as shall be requisite to release the lien hereof, and reconvey, release, assign and deliver unto the Issuer any and all of the estate, right, title and interest in and to any and all rights or interests in property assigned or pledged to the Trustee or otherwise subject to the lien of this Resolution, except for amounts held by the Trustee for the payment of the principal of, premium, if any, and interest on the Bonds. Notwithstanding the foregoing, those provisions of this Resolution and any Supplemental Resolution relating to the maturity of the Bonds, interest payments and dates thereof, redemption provisions, exchange, transfer and registration of Bonds, replacement of mutilated, destroyed, lost or stolen Bonds, the safekeeping and cancellation of Bonds, non-presentment of Bonds, the holding of moneys in trust, and the duties of the Trustee in connection with all of the foregoing shall remain in full force and effect and shall be binding upon the Trustee and the Owners notwithstanding the release and discharge of the lien of this Resolution. Any written instrument as shall be requisite to release the lien of this Resolution as described in the first sentence hereof shall be prepared by the Issuer, at its expense, and provided to the Trustee for execution by the Trustee.

Any Bond shall be deemed to be paid within the meaning of this Article and for all purposes of this Resolution when (a) payment of the principal of and premium, if any, on such Bond, plus interest thereon to the due date thereof (whether such due date is by reason of maturity or upon redemption as provided herein) either (i) shall have been made or caused to be made in accordance with the terms hereof, or (ii) shall have been provided for by irrevocably depositing with the Trustee, in trust and irrevocably setting aside exclusively for such payment (1) moneys sufficient to make such payment and/or (2) Governmental Obligations maturing as to principal, premium, if any, and interest in such amounts and at such times as will insure the availability of sufficient moneys to make such payment, and (b) all necessary and proper fees, compensation and expenses of Trustee pertaining to the Bonds with respect to which such deposit is made shall have been paid or the payment thereof provided for to the satisfaction of Trustee. At such times as a Bond shall be deemed to be paid hereunder, as aforesaid, such Bond shall no longer be secured by or entitled to the benefits of this Resolution, except for the purposes of any such payment from such moneys or Governmental Obligations.

Notwithstanding the foregoing, no deposit under clause (a)(ii) of the immediately preceding paragraph shall be accepted by the Trustee or deemed a payment of any such Bond as aforesaid until (I) proper and irrevocable notice is given by the Issuer to the Trustee to give proper notice of redemption of such Bond and to redeem such Bond in accordance with Article III of this Resolution, (II) in the event such Bond is not to be redeemed within the next succeeding sixty days, until the Issuer shall have given the Trustee on behalf of the Issuer, in form satisfactory to the Trustee, irrevocable instructions to notify, as soon as practicable, the Owner(s) of the Bond

that the deposit required by (a)(ii) above has been made with the Trustee and that said Bond is deemed to have been paid in accordance with this Article VII and stating the maturity or redemption date upon which moneys are to be available for the payment of the principal of and the applicable redemption premium, if any, on said Bond, plus interest thereon to the due date thereof, and (III) the Trustee shall have received an opinion of Bond Counsel, addressed to at least the Issuer and Trustee, to the effect that such deposit and use will not in and of itself adversely affect the exclusion from gross income of the Owners for federal income tax purposes of the interest on any Tax-Exempt Bonds issued hereunder.

All moneys so deposited with the Trustee as provided in this Article may at the written direction of the Issuer be invested and reinvested in Governmental Obligations, maturing in the amounts and times as hereinbefore set forth. Notwithstanding any provision of any other Article of this Resolution which may be contrary to the provisions of this Article VII, all moneys or Governmental Obligations set aside and held in trust pursuant to the provisions of this Article for the payment of Bonds (including interest and premium thereon, if any) shall be applied to and used solely for the payment of the particular Bonds (including interest and premium thereof, if any) with respect to which such moneys and Governmental Obligations have been so set aside in trust, provided, that any amounts held by the Trustee pursuant to this Article VII which are not required for the payment of the principal, premium, if any, and interest thereon with respect to which such moneys shall have been so deposited shall be deposited in such account of the Bond Fund as designated by the Issuer as and when realized and collected for use and application as are other moneys deposited in such account of the Bond Fund, provided that if all the Bonds shall have been paid any such amounts shall be paid to the Issuer.

Anything in Article IX hereof to the contrary notwithstanding, if moneys or Governmental Obligations have been deposited or set aside with the Trustee pursuant to this Article for the payment of Bonds and such Bonds shall not have in fact become due and payable, no amendment to the provisions of this Article shall be made without the consent of the Owner of each Bond affected thereby.

Notwithstanding the foregoing, no deposit under clause (a)(ii) of the second paragraph of this Section 7.01 shall be accepted by the Trustee or deemed a payment of Bonds as aforesaid until, in addition to the items required by the third paragraph of this Section 7.01, the Trustee shall have received (x) a report of an independent certified public accountant selected by the Issuer and approved in writing by the Insurer, if any, (unless the Insurer shall be in default in its payment obligations under the Insurance Policy), and addressed to at least the Trustee, and verifying the mathematical accuracy of calculations performed by or on behalf of the Issuer demonstrating the sufficiency of the Governmental Obligations and/or cash deposited with the Trustee to pay the principal of, premium, if any, and interest on the Bonds to their date of maturity or redemption as aforesaid and (y) an opinion of Bond Counsel addressed to at least the Issuer and the Trustee to the effect that all requirements hereof to the defeasance of such Bonds shall have been satisfied. The Trustee may conclusively rely upon such report as establishing the sufficiency of such investments and cash to make such payments.

[End of Article VII]

ARTICLE VIII

TRUSTEE

Section 8.01. Acceptance of Trusts. Prior to the issuance of Bonds hereunder the Issuer shall appoint as Trustee hereunder a financial institution with powers of a trust company within the State in good standing, authorized by law to perform the duties required of the Trustee hereunder and shall obtain a written acceptance of such Trustee of the duties, obligations and trusts imposed upon the Trustee by this Resolution.

Section 8.02. Certain Rights of the Trustee. The duties, obligations and trusts imposed upon the Trustee hereunder shall be subject to the following:

(a) The Trustee undertakes to perform such duties and only such duties of the Trustee as are specifically set forth in this Resolution and no implied duties or obligations shall be imposed against the Trustee.

(b) The Trustee may execute any of the trusts or powers hereof and perform any of its duties by or through attorneys, agents or receivers appointed with due care, and shall not be responsible for any negligence or willful misconduct on the part of any attorney, agent or receiver so appointed, and shall be entitled to advice of counsel concerning its duties hereunder, and may in all cases pay such reasonable compensation to all such attorneys, agents, receivers and employees as may reasonably be employed in connection with the trusts hereof. The Trustee may act upon the opinion or advice of any attorney (who may be the attorney or attorneys for the Issuer) approved by the Trustee in the exercise of reasonable care. The Trustee shall not be responsible for any loss or damage resulting from any action or inaction in good faith in reliance upon such opinion or advice.

(c) The Trustee shall not be responsible for any recital herein or in the Bonds (except with respect to the certificate of the Trustee endorsed on the Bonds), or for the validity of this Resolution or of any supplements hereto or instruments of further assurance, or for the sufficiency of the security for the Bonds issued hereunder or intended to be secured hereby, except as hereinafter set forth; but the Trustee may require of the Issuer full information and advice as to the performance of the covenants, conditions and agreements aforesaid and as to the condition of the Trust Estate.

(d) The Trustee shall not be accountable for the use of any Bonds authenticated or delivered hereunder. The Trustee may become the Owner of Bonds secured hereby with the same rights which it would have if not the Trustee.

(e) The Trustee shall conclusively rely upon and shall be fully protected in acting upon any notice, request, consent, certificate, order, affidavit, letter, telegram or other paper or document believed by it to be genuine and correct and to have been signed or sent by the proper person or persons.

(f) As to the existence or nonexistence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding, the Trustee shall be entitled to conclusively rely upon a certificate signed by the Issuer Representative as sufficient evidence of the facts therein contained and shall also be at liberty to accept a similar certificate to the effect that any particular dealing, transaction or action is necessary or expedient, but may at its

discretion secure such further evidence deemed by it to be necessary or advisable, but shall in no case be bound to secure the same. The Trustee may accept a certificate of the officials of the Issuer who executed the Bonds (or their successors in office) under the seal of the Issuer to the effect that a resolution in the form therein set forth has been adopted by the Issuer as conclusive evidence that such resolution has been duly adopted and is in full force and effect.

(g) The permissive right of the Trustee to do things enumerated in this Resolution shall not be construed as a duty, and the Trustee shall not be answerable for other than its negligence or willful misconduct.

(h) The Trustee shall not be required to give any bond or surety in respect of the execution of the said trusts and powers or otherwise in respect of the premises.

(i) With respect to the withdrawal of any cash, the release of any property or any action whatsoever within the purview of this Resolution, the Trustee shall have the right, but shall not be required, to demand any showings, certificates, opinions, appraisals or other information, or corporate action or evidence thereof, in addition to that by the terms hereof required as a condition of such action, deemed desirable by the Trustee provided that this subsection 8.02(i) shall not limit the obligation of the Trustee to comply with the provisions hereof, and in particular, those with respect to payment of the Bonds.

(j) All moneys received by the Trustee shall, until used or applied or invested as herein provided, be held in trust for the purposes for which they were received, but need not be segregated from other funds except to the extent required by law.

(k) The Trustee shall not be liable for any error of judgment made by it in good faith unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts.

(l) No provision of this Resolution shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the proper performance of any of its duties hereunder or in the exercise of any of its rights or powers.

(m) The Trustee shall not be responsible or liable for any loss suffered in connection with any investment made in accordance herewith which is made at the instruction of the Issuer.

(n) The Trustee shall provide to any Owner, upon written request, upon payment of any reasonable fee, copies of any documents deposited with the Trustee by the Issuer pursuant to this Resolution.

(o) Before taking any action under this Resolution in connection with its duties, other than making payments of principal and interest on the Bonds as they become due, the Trustee may require that a satisfactory indemnity bond be furnished for the reimbursement of all costs and expenses to which it may be put and to protect it against all liability, including, but not limited to, any liability arising directly or indirectly under any federal, state or local statute, rule, law or ordinance related to the protection of the environment or hazardous substances and except liability which is adjudicated to have resulted from its negligence or willful misconduct in connection with any action so taken.

(p) The Trustee shall have no responsibility with respect to any information, statement or recital in any official statement, offering memorandum or any other disclosure material prepared or distributed with respect to the Bonds and shall have no responsibility for compliance with any state or federal securities laws in connection with the Bonds.

(q) The Trustee shall not be responsible or liable for any failure or delay in the performance of its obligations under this Resolution arising out of or caused, directly or indirectly, by circumstances beyond its reasonable control, including, without limitation, acts of God; earthquakes; fire; flood; hurricanes or other storms; wars; terrorism; similar military disturbances; sabotage; epidemic; pandemic; riots; interruptions, loss or malfunctions of utilities, computer (hardware or software) or communications services; accidents; labor disputes; acts of civil or military authority or governmental action; it being understood that the Trustee shall use commercially reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as reasonably practicable under the circumstances.

(r) The Trustee shall have the right to accept and act upon directions or instructions, including funds transfer instructions (collectively, "Instructions"), given pursuant to this Resolution or any other document reasonably relating to the Bonds and delivered using Electronic Means (defined below); provided, however, that the Issuer shall provide to the Trustee an incumbency certificate identifying individuals with the authority to provide such directions or instructions (each an "Authorized Officer") and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended whenever a person is to be added or deleted from the listing. If the Issuer elects to give the Trustee Instructions using Electronic Means and the Trustee in its discretion elects to act upon such Instructions, the Trustee's understanding of such Instructions shall be deemed controlling. The Issuer understands and agrees that the Trustee cannot determine the identity of the actual sender of such Instructions and that the Trustee shall conclusively presume that Instructions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Trustee have been sent by such Authorized Officer. The Issuer shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Trustee and that the Issuer and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Issuer. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such Instructions notwithstanding such Instructions conflict or are inconsistent with a subsequent written direction or written instruction. The Issuer agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions 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; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Trustee and that there may be more secure methods of transmitting Instructions; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances and (iv) to notify the Trustee promptly upon learning of any compromise or unauthorized use of the security procedures. "Electronic Means" shall mean the following communications methods: e-mail, secure electronic transmission containing applicable authorization codes, passwords and/or

authentication keys, or another method or system specified by the Trustee as available for use in connection with its services hereunder.

Section 8.03. Fees, Charges and Expenses of Trustee. The Trustee shall be entitled to payment and reimbursement for reasonable fees for services rendered hereunder and all advances, counsel fees, costs and expenses and other expenses reasonably made or incurred by the Trustee in connection with such services, and the Issuer agrees to pay such fees from legally available moneys of the Issuer, provided that the Issuer shall not be required to pay any counsel fees or other expenses incurred by the Trustee as a result of the Trustee's own negligence or willful misconduct.

To the extent provided by law, the Issuer hereby agrees to indemnify and hold harmless the Trustee and its officers, directors, and employees from and against any and all costs, claims, charges, liabilities, losses or damages whatsoever (including reasonable fees, costs and expenses of counsel, auditors or other experts), asserted or arising out of or in connection with the Trustee's duties under this Resolution, including the reasonable fees, costs and expenses of defending itself against any such claim or liability in connection with its exercise or performance of any of its duties hereunder and of enforcing this indemnification provision, but excluding costs, claims, liabilities, losses or damages to the extent resulting from the negligence or willful misconduct of the Trustee. The indemnifications set forth herein shall survive the discharge of the lien of this Resolution and/or the resignation or removal of the Trustee and shall inure to the benefit of the Trustee's successors and assigns.

Section 8.04. Successor Trustee. Subject to Section 8.01 hereof, any corporation or association into which the Trustee may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party, shall be and become successor Trustee hereunder and vested with all of the title to the Trust Estate and all the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding. All covenants and stipulations herein shall inure to the benefit of and be available to the successors and assigns of Trustee.

Section 8.05. Resignation by Trustee. The Trustee and any successor Trustee may at any time resign from the trusts hereby created by giving sixty days' written notice by registered or certified mail to the Issuer. In case at any time the Trustee shall resign and no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Article VIII prior to the date specified in the notice of resignation as the date when such resignation is to take effect, the resigning Trustee shall forthwith apply to a court of competent jurisdiction for the appointment of a successor Trustee. Such resignation shall only become effective upon the appointment of a successor Trustee.

Section 8.06. Removal of Trustee. The Trustee may be removed at any time by an instrument or concurrent instruments in writing signed by an authorized Issuer Representative and delivered to the Trustee, such removal to become effective only upon the appointment of a successor Trustee.

Section 8.07. Appointment of Successor Trustee. In case the Trustee hereunder shall resign or be removed, or be dissolved, or shall be in course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in case it shall be taken under the control of any public

officer or officers, or of a receiver appointed by a court, a successor may be appointed by the Issuer. Every such Trustee appointed pursuant to the provisions of this Section shall be a financial institution with powers of a trust company within the State in good standing, authorized by law to perform the duties required of it hereunder.

Section 8.08. Acceptance by Any Successor Trustee. Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor and also to the Issuer an instrument in writing accepting such appointment hereunder, and thereupon such successor, 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. Such predecessor shall, nevertheless, on the written request of the Issuer, or of its successor, execute and deliver an instrument transferring to such successor all the estates, properties, rights, powers and trusts of such predecessor hereunder. Every predecessor Trustee shall deliver all securities and moneys held by it as Trustee hereunder to its successor. Should any instrument in writing from the Issuer be required by any successor Trustee for more fully and certainly vesting in such successor the estate, rights, powers and duties hereby vested or intended to be vested in the predecessor, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the Issuer. The resignation of any Trustee and the instrument or instruments removing any Trustee and appointing a successor hereunder, together with all other instruments provided for in this Article, shall be in a form recordable under the laws of the State, and shall be filed or recorded by the successor Trustee in each recording office, if any, where this Resolution shall have been filed or recorded. The predecessor Trustee shall retain the right to any fee or charges due and owing to such predecessor Trustee.

Section 8.09. Appointment of Co-Trustee. It is the purpose of this Resolution that there shall be no violation of any law of any jurisdiction (including particularly the law of the State) denying or restricting the right of banking corporations or associations to transact business as the Trustee in such jurisdiction. It is recognized that in case of litigation under this Resolution and in particular in case of the enforcement hereof upon default hereunder, or in case the Trustee deems that by reason of any present or future law of any jurisdiction it may not exercise any of the powers, rights or remedies herein granted to the Trustee or hold the properties in trust as herein provided, or take any other action which may be desirable or necessary in connection therewith, the Trustee may upon notice to the Issuer appoint an individual or institution as a separate or Co-Trustee, in which event each and every remedy, power, right, claim, demand, cause of action, immunity, estate, title, interest and lien expressed or intended by this Resolution to be exercised by or vested in or conveyed to the Trustee with respect thereto shall be exercisable by and vest in such separate or Co-Trustee, but only to the extent necessary to enable such separate or Co-Trustee to exercise such powers, rights and remedies, and every covenant and obligation necessary to the exercise thereof by such separate or Co-Trustee shall run to and be enforceable by either of them. Every Co-Trustee appointed pursuant to this section shall be an individual or institution legally empowered to perform as such hereunder.

Should any deed, conveyance or instrument in writing from the Issuer be required by the separate or Co-Trustee so appointed by the Trustee for more fully and certainly vesting in and confirming to it such properties, rights, powers, trusts, duties and obligations, any and all such deeds, conveyances and instruments in writing shall, on request, be executed, acknowledged and delivered by the Issuer. In case any separate or Co-Trustee, or a successor thereto, shall die, become incapable of acting, resign or be removed, all the estates, properties, rights, powers, trusts, duties and obligations of such separate or Co-Trustee, so far as permitted by law, shall vest in and

be exercised by the Trustee until the appointment of a new Trustee or successor to such separate or Co-Trustee.

Section 8.10. Accounting by Trustee. Upon written request of the Issuer, the Trustee shall render a full accounting of any funds held by it from time to time pursuant to this Resolution.

Section 8.11. Responsibilities of Trustee - Default. The Trustee is not required or authorized by this Resolution to take any action in the event that the Issuer defaults in the payment of the Bonds or fails to fulfill any other covenant or condition required of the Issuer or imposed upon the Issuer by the Resolution, except as expressly set forth in this Resolution or a Supplemental Resolution. This Section 8.11 may not be amended without the prior written consent of the Trustee.

[End of Article VIII]

ARTICLE IX

SUPPLEMENTAL RESOLUTIONS

Section 9.01. Limitations. Prior to the issuance of Bonds hereunder, this Resolution may be amended, revised or revoked, in whole or in part, by subsequent resolution of the Issuer. This Resolution shall not be modified or amended in any respect subsequent to the issuance of Bonds hereunder except as provided in and in accordance with this Article IX.

Section 9.02. Supplemental Resolutions Not Requiring Consent of Owners. After the issuance of Bonds hereunder, the Issuer may, without consent of or notice to any Owner, enact one or more Supplemental Resolutions for any one or more of the following purposes:

- (a) To cure any ambiguity or formal defect or omission in this Resolution;
- (b) To grant to or confer upon the Owners or the Trustee for the benefit of the Owners any additional rights, remedies, powers or authorities that may lawfully be granted to or conferred upon the Owners or the Trustee;
- (c) To subject to this Resolution additional revenues, properties or collateral or to add to the covenants and agreements of the Issuer herein set forth other covenants and agreements hereafter to be observed by the Issuer or to surrender any right or power herein reserved to or conferred upon the Issuer;
- (d) To modify, amend or supplement this Resolution or any Supplemental Resolution in such manner as to permit the qualification hereof and thereof under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect, or to permit the qualification of the Bonds for sale under the securities laws of any of the states or of the United States of America, or to achieve compliance of the Bonds with applicable federal tax law;
- (e) In connection with any other change herein which, in the judgment of the Issuer, is not materially adverse to the Trustee or the Owners;
- (f) To provide for the issuance of additional series of Bonds.

Section 9.03. Supplemental Resolutions Requiring Consent of Owners. Exclusive of Supplemental Resolutions permitted by Section 9.02 hereof and subject to the terms and provisions contained in this Section, and not otherwise, the Owners of more than fifty percent in aggregate principal amount of the Outstanding Bonds shall have the right, from time to time, anything contained in this Resolution other than in this Article IX to the contrary notwithstanding, to consent to and approve the adoption by the Issuer of such other Supplemental Resolutions as shall be deemed necessary and desirable by the Issuer for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Resolution or in any Supplemental Resolution; provided, however, that nothing in this Article IX shall permit, or be construed as permitting, without the written consent of the Owners of all Bonds Outstanding, (a) an extension of the maturity of the principal of, or the interest on, any Bond issued hereunder, or (b) a reduction in the principal amount of, or premium on, any Bond or the rate of interest thereon, or (c) a privilege or priority of any Bonds over any other Bonds, or (d) a reduction in the aggregate principal amount of the Bonds required for consent to such Supplemental Resolutions, or (e) the creation of any lien ranking prior to or on a parity with the lien of the Bonds on the Trust Estate or any part thereof, except as hereinbefore expressly permitted, or (f) the deprivation of the Owner of any Outstanding Bond of the lien hereby created on the Trust Estate.

If at any time the Issuer shall determine that it is desirable to adopt any such Supplemental Resolution for any of the purposes of this Section, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of the proposed execution of such Supplemental Resolution to be given by Mail to each Owner. Any notice mailed as provided in this Section shall be conclusively presumed to have been duly given, whether or not the Owner receives the notice. Such notice shall briefly set forth the nature of the proposed Supplemental Resolution and shall state that copies thereof are on file at the Designated Office of the Trustee for inspection by all Owners. If the Owners of more than the required percentage in aggregate principal amount of the Bonds Outstanding shall have in writing consented to and approved the adoption thereof as herein provided (which consent and approval shall, if given, be irrevocable), no Owner shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the adoption thereof, or to enjoin or restrain the Trustee or the Issuer from executing the same or from taking any action pursuant to the provisions thereof. Upon the adoption of any such Supplemental Resolution as in this Section permitted and provided, this Resolution shall be and be deemed to be modified and amended in accordance therewith. A Supplemental Resolution may be adopted by the Issuer prior to obtaining the requisite consent of Owners provided that the effectiveness of such Supplemental Resolution is conditioned upon the obtaining of such consent.

Section 9.04. Required Opinion of Bond Counsel. The Issuer shall not enter into or consent to any Supplemental Resolution unless the Issuer and Trustee have received an opinion of Bond Counsel to the effect that such action is permitted hereunder and will not impair the exclusion of the interest on the Tax-Exempt Bonds from gross income for federal income tax purposes. The Issuer and the Trustee may rely upon an opinion of Bond Counsel to the effect that any such Supplemental Resolution is permitted by the provisions of this Article IX.

[End of Article IX]

ARTICLE X

MISCELLANEOUS

Section 10.01. Consents of Owners. Any consent, request, direction, approval, objection or other instrument required by this Resolution to be signed and executed by the Owners may be in any number of concurrent documents and may be executed by such Owners in person or by an attorney-in-fact duly appointed in writing. Proof of the execution of any such consent, request, direction, approval, objection or other instrument or of the written appointment of any such attorney-in-fact or of the ownership of Bonds, if made in the following manner, shall be sufficient for any of the purposes of this Resolution, and shall be conclusive in favor of the Trustee and Issuer with regard to any action taken by either of them under such request or other instrument, namely:

(a) The fact and date of the execution by any person of any such writing may be proved by the certificate of any officer in any jurisdiction who by law has power to take acknowledgments within such jurisdiction that the person signing such writing acknowledged before him the execution thereof, or by an affidavit of any witness to such execution.

(b) The fact of ownership of Bonds and the amount or amounts, numbers and other identification of such Bonds, and the date of holding the same shall be proved by the Bond Register.

Section 10.02. Limitation of Rights. With the exception of any rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Resolution or the Bonds is intended or shall be construed to give to any Person other than the Issuer, the Insurer, if any, the Trustee and the Owners, any legal or equitable right, remedy or claim under or with respect to this Resolution or any covenants, conditions and provisions herein contained; this Resolution and all of the covenants, conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of the Issuer, the Insurer, if any, the Trustee, and the Owners.

Section 10.03. Severability. If any provision of this Resolution shall be held or deemed to be or shall, in fact, be illegal, inoperative or unenforceable in any context, the same shall not affect any other provision herein or render any other provision (or such provision in any other context) invalid, inoperative or unenforceable to any extent whatever.

Section 10.04. Notices. Any notice, request, complaint, demand, communication or other paper shall be sufficiently given and shall be deemed given when delivered or mailed by registered or certified mail, postage prepaid, or sent by telegram addressed as follows:

If to the Issuer:

Hobe-St. Lucie Conservancy District
c/o Special District Services, Inc.
The Oaks Center
2501A Burns Road
Palm Beach Gardens, FL 33410

If to the Trustee, at the address thereof designated in a Supplemental Resolution or in a written certificate delivered to the Issuer. The Issuer and the Trustee may designate any further or

different addresses to which subsequent notices, certificates or other communications shall be sent by a written certificate delivered to each other.

Section 10.05. Holidays. In any case where the date of maturity of interest on or principal of the Bonds or the date fixed for redemption of any Bonds is not a Business Day, then payment of principal, premium, if any, or interest need not be made on such date but may be made on the next succeeding Business Day, with the same force and effect as if made on the date of maturity or the date fixed for redemption.

Section 10.06. Applicable Provisions of Law. This Resolution shall be governed by and construed in accordance with the laws of the State, without regard to conflict of laws principles.

Section 10.07. Rules of Interpretation. Unless expressly indicated otherwise, references to sections or articles are to be construed as references to sections or articles of this instrument as originally executed. Use of the words "herein," "hereby," "hereunder," "hereof," "hereinbefore," "hereinafter" and other equivalent words refer to this Resolution and not solely to the particular portion in which any such word is used.

Section 10.08. Captions. The captions and headings in this Resolution are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Resolution.

Section 10.09. Limited Liability of Issuer. It is hereby expressly made a condition of this Resolution and of the Bonds that any agreements or representations herein or therein contained or contained in the documents and instruments executed in connection therewith do not and shall never constitute or give rise to any personal or pecuniary liability or charge against the general credit of the Issuer and in the event of a breach of any agreement, covenant or representation, no personal or pecuniary liability or charge payable directly or indirectly from the general revenues of the Issuer shall arise therefrom. Nothing contained in this Section 10.09, however, shall relieve the Issuer from the observance and performance of the several covenants and agreements on its part herein contained.

Section 10.10. Members, Officers, Employees and Agents of the Issuer Exempt from Personal Liability. No recourse under or upon any obligation, covenant or agreement of this Resolution or for any claim based thereon or otherwise in respect thereof, shall be had against any Supervisor of the Issuer, or any officer, agent, or employee, as such, of the Issuer past, present or future, either directly or through the Issuer whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise, it being expressly understood (a) that the obligation of the Issuer under this Resolution is solely a corporate one, limited as provided in the preceding Section 10.09, (b) that no personal liability whatsoever shall attach to, or is or shall be incurred by, the Supervisors of the Issuer, or the officers, agents, or employees, as such, of the Issuer, or any of them, under or by reason of the obligations, covenants or agreements contained in this Resolution or implied therefrom, and (c) that any and all such personal liability, either at common law or in equity or by constitution or statute, of, and any and all such rights and claims against, every such Supervisor of the Issuer, and every officer, agent, or employee, as such, of the Issuer under or by reason of the obligations, covenants or agreements contained in this Resolution, or implied therefrom, are hereby expressly waived and released as a condition of, and as a consideration for, the execution of this Resolution on the part of the Issuer.

Section 10.11. Rule 15c2-12. The Executive Director of the Issuer or the President, or in the absence or inability to act of the President, any other member of the Board, are severally authorized to "deem final" for purposes of Securities and Exchange Commission Rule 15c2-12, a preliminary official statement for any series of the Bonds.

Section 10.12. Validation. Caldwell Pacetti Edwards Schoech & Viator, LLP, the attorneys for the Issuer, are authorized and directed to commence a proceeding for the validation for the Bonds.

Section 10.13. Repealer. All resolutions or parts thereof in conflict herewith are hereby repealed.

Section 10.14. Effective Date. This Resolution shall take effect immediately upon its adoption.

EXHIBIT A-- FORM OF THE BONDS

No. R-__

\$ __, __, __.00

HOBE-ST. LUCIE CONSERVANCY DISTRICT

IMPROVEMENT [REFUNDING] BONDS

UNIT OF DEVELOPMENT NO. 1A

[TAXABLE] SERIES 20__

INTEREST RATE

MATURITY DATE

DATED DATE

CUSIP

_____%

May 1, 20__

_____, 20__

Registered Owner:

Principal Amount:

KNOW ALL MEN BY THESE PRESENTS that Hobe-St. Lucie Conservancy District (the "District"), a water control district of the State of Florida created and existing pursuant to the Constitution and the laws of the State of Florida, for value received, promises to pay from the sources hereinafter provided, to the order of the registered Owner hereof, or registered assigns, on the maturity date set forth above, upon surrender hereof at the Designated Office of _____, as Trustee (the "Trustee"), the principal sum stated above (such principal amount to be repaid in accordance with the Resolution (as defined hereinafter)), and in like manner to pay interest on said sum until payment thereof has been made or duly provided for at the rate per annum set forth above based on a 360-day year consisting of twelve 30-day months from the Dated Date hereof, unless this bond (this "Bond") is issued in exchange or for transfer on or after an Interest Payment Date, in which case interest shall be payable from the next preceding Interest Payment Date unless this Bond is authenticated on an Interest Payment Date, in which case interest shall be payable from such date of authentication, provided that if this Bond is issued in exchange or for transfer after a Record Date, as hereinafter defined, and before the next succeeding Interest Payment Date, interest shall be payable from such next succeeding Interest Payment Date, provided, further, if interest on this Bond shall be in default when issued in exchange or for transfer, interest shall be payable from the date to which interest is paid in full, or if no interest has ever been paid on this Bond, from the date hereof. Such interest is due and payable on _____ 1, 20__ on which date the interest accruing from _____, 20__ to and including _____, 20__ shall be paid, and thereafter on each May 1 and November 1 (the "Interest Payment Date"), for the period beginning on the preceding Interest Payment Date and ending on and including the day preceding such Interest Payment Date. Payment of interest on this Bond shall be made to such person as is the registered Owner hereof on the Record Date and shall be paid by check or draft mailed on the Interest Payment Date to such Owner at the Owner's address as it appears on the registration books of the District or at such other address or in such other manner as is agreed upon by the Trustee and such registered Owner. The "Record Date" for payments of interest on this Bond is the fifteenth day of the calendar month next preceding an Interest Payment Date.

Principal of and interest on this Bond are payable in lawful money of the United States of America.

This Bond is one of an authorized issue of \$_____ principal amount of Hobe-St. Lucie Conservancy District Improvement [Refunding] Bonds, Unit of Development No. 1A, Series ____ (the "Bonds"), issued for the primary purpose of [providing funds to pay costs of improvements related to the District's Unit of Development No. 1A] [refunding the District's Improvement [Refunding] Bonds, Unit of Development No. 1A, Series ____][maturing in the years _____] [and paying necessary expenses incidental thereto].

The Bonds are issued pursuant to Chapter 2005-339, Laws of Florida, as amended, Chapter 298, Florida Statutes, and are equally and ratably secured by and entitled to the protection of Resolution No. 2022-06 adopted by the Board of Supervisors of the District on June 22, 2022, as amended and restated by Resolution No. 2023-05, adopted by the Board of Supervisors of the District on October 25, 2023, and as further amended and restated by Resolution No. 2024-04, adopted by the Board of Supervisors of the District on March 27, 2024, and as from time to time amended and supplemented (herein referred to as the "Resolution"), and are subject to all the terms and conditions of the Resolution.

This Bond is secured by a lien upon and pledge of Drainage Taxes levied by the District upon lands within Unit of Development No. 1A of the District and upon amounts held by the Trustee in certain funds and accounts established pursuant to the Resolution.

[Insert redemption provisions]

Copies of the Resolution are on file at the Designated Office of the Trustee, and reference is hereby made to the Resolution for a description of the property pledged and assigned to payment of the Bonds, the provisions, among others, with respect to the nature and extent of the security, the rights, duties and obligations of the District, the Trustee and the Owners of the Bonds, and the terms upon which the Bonds are issued and secured. Each Owner by acceptance hereof accepts and consents to all provisions of the Resolution. All terms used herein in capitalized form and not otherwise defined herein shall have the meaning ascribed thereto in the Resolution.

This Bond may be exchanged or transferred by the registered Owner hereof or by such Owner's attorney-in-fact duly authorized in writing at the Designated Office of the Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in the Resolution, and upon surrender of this Bond. Upon such transfer, a new Bond or Bonds of the same maturity and interest rate and of authorized denomination or denominations for the proper principal amount, will be issued to the transferee in exchange therefor.

The person in whose name this Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of principal, premium, if any, and interest on this Bond shall be made only to or upon the written order of the Owner or his duly authorized attorney-in-fact but such registration may be changed as hereinabove provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon this Bond to the extent of the sum or sums so paid.

This Bond is one of a series of Bonds which were validated by judgment of the Circuit Court of the Nineteenth Judicial Circuit of Florida, in and for Martin County, Florida rendered on _____, 202_.

THIS BOND AND THE INTEREST HEREON DOES NOT AND SHALL NOT CONSTITUTE A GENERAL INDEBTEDNESS OF THE DISTRICT WITHIN THE MEANING OF ANY CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION BUT SHALL BE PAYABLE SOLELY FROM THE MONEYS AND SOURCES PLEDGED THEREFOR. NEITHER THE FULL FAITH AND CREDIT NOR ANY AD VALOREM TAXING POWER OF THE DISTRICT, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THIS BOND OR OTHER COSTS INCIDENTAL HERETO.

It is hereby certified, recited and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the execution and delivery of the Resolution and the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by law, and that the issuance of this Bond and the issue of which it forms a part, together with all other obligations of the District, does not exceed or violate any constitutional or statutory limitation.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Resolution until the certificate of authentication hereon shall have been executed by the Trustee.

IN WITNESS WHEREOF, Hobe-St. Lucie Conservancy District has caused this Bond to be executed in its name by the manual signature of its President and attested by the manual signature of its Secretary, and its seal to be impressed hereon, all as of

HOBE-ST. LUCIE CONSERVANCY DISTRICT

[SEAL]

By: _____
President

Attest:

By: _____
Secretary

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the within-mentioned Resolution.

Date Authenticated: _____, _____

[Name of Trustee],
as Trustee

By: _____
Authorized Signatory

(Form of Assignment)

FOR VALUE RECEIVED the undersigned hereby sell(s), assign(s) and transfer(s) unto

PLEASE INSERT SOCIAL SECURITY OR OTHER
IDENTIFYING NUMBER OF TRANSFEREE

the within Bond and all rights thereunder, hereby irrevocably constituting and appointing
_____, Attorney to transfer said Bond
on the books kept for the registration thereof, with full power of substitution in the premises.

Dated: _____

(Signature of registered Owner)

NOTICE: The signature above must
correspond with the name of the Registered
Owner as it appears on the front of this Bond
in every particular, without alternation or
enlargement or any change whatsoever.

Signature Guaranteed:

NOTICE: Signature(s) must be
guaranteed by an Eligible Guarantor
Institution such as a Commercial Bank,
Trust Company, Securities Broker/
Dealer, Credit Union or Savings
Association, who is a member of a
medallion program approved by the
Securities Transfer Association, Inc.

EXHIBIT B

FORM OF DISBURSEMENT APPROVAL

[TRUSTEE]

Attention: [Corporate Trust Department]

Re: \$_____Hobe-St. Lucie Conservancy District, Improvement [Refunding] Bonds,
 Unit of Development No. 1A, Series ____ (the "Bonds")

Pursuant to the provisions of Section [5.04 or 5.06] of the Amended and Restated Resolution No. 2024-04 of Hobe-St. Lucie Conservancy District (the "Issuer") adopted March 27, 2024, as may be amended, supplemented and restated (the "Resolution"), you are hereby requested and directed to disburse from the [Cost of Issuance Fund or (____Account in the) Project Fund] referred to in the Resolution the amounts indicated below. Capitalized terms used herein not otherwise defined herein shall have the meanings ascribed thereto in the Resolution.

The undersigned hereby certifies:

1. This is Disbursement Approval number ____.
2. The name and address of the person(s), firm(s), or corporation(s) to whom the disbursement(s) is (are) due is (are), and the amount(s) thereof is (are) as follow(s):

(a)

HOBE-ST. LUCIE CONSERVANCY DISTRICT

By: _____
 President, Board of Supervisors

Date _____

End of Amended and Restated Resolution No. 2023-05

Section 2. This Resolution shall take effect immediately upon its adoption.

Passed and approved this 27th day of March, 2024.

(SEAL)

President, Board of Supervisors

Attest:

Secretary, Board of Supervisors

#235650427_v8
Final

AMENDED AND RESTATED RESOLUTION 2024-05

A RESOLUTION OF THE BOARD OF SUPERVISORS OF HOBE-ST. LUCIE CONSERVANCY DISTRICT AMENDING AND RESTATING, IN ITS ENTIRETY, RESOLUTION NO. 2023-06 ADOPTED BY THE BOARD OF SUPERVISORS ON OCTOBER 25, 2023; AUTHORIZING THE ISSUANCE OF NOT EXCEEDING \$72,000,000.00 AGGREGATE PRINCIPAL AMOUNT OF THE DISTRICT'S IMPROVEMENT BONDS, UNIT OF DEVELOPMENT NO. 1A, SERIES 2024; PROVIDING A METHOD TO DETERMINE THE PRINCIPAL AMOUNT, INTEREST RATES, MATURITY SCHEDULE AND REDEMPTION PROVISIONS FOR SUCH SERIES 2024 BONDS; PROVIDING A METHOD FOR AWARDED THE SALE OF SERIES 2024 BONDS TO THE UNDERWRITER AND MAKING CERTAIN FINDINGS IN CONNECTION THEREWITH; AUTHORIZING THE PREPARATION AND USE OF A PRELIMINARY LIMITED OFFERING MEMORANDUM AND AUTHORIZING THE EXECUTION AND DELIVERY OF A FINAL LIMITED OFFERING MEMORANDUM AND A BOND PURCHASE AGREEMENT; APPOINTING A TRUSTEE FOR THE SERIES 2024 BONDS; SUPPLEMENTING CERTAIN PROVISIONS OF AMENDED AND RESTATED RESOLUTION NO. 2024-04 OF THE DISTRICT; AUTHORIZING AND DIRECTING CERTAIN OFFICIALS OF THE DISTRICT TO TAKE ALL ACTION REQUIRED IN CONNECTION WITH THE ISSUANCE OF THE SERIES 2024 BONDS; MAKING CERTAIN OTHER COVENANTS AND AGREEMENTS IN CONNECTION WITH THE ISSUANCE OF THE SERIES 2024 BONDS; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, on June 22, 2022, the Board of Supervisors (the "Board") of Hobe-St. Lucie Conservancy District (the "Issuer") adopted Resolution No. 2022-06, a General Bond Resolution (as amended and restated by Resolution 2023-05, adopted October 25, 2023), and as further amended and restated by Resolution No. 2024-04, adopted March 27, 2024 (collectively, the "Bond Resolution") authorizing the issuance in one or more series of not to exceed \$227,353,500.00 aggregate principal amount of Improvement Bonds, Unit of Development No. 1A of the Issuer; and

WHEREAS, all capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Bond Resolution as more fully provided for in Section 1 hereof; and

WHEREAS, pursuant to the Bond Resolution, prior to the issuance of a series of Bonds thereunder there is to be adopted by the Issuer a Supplemental Resolution or Resolutions authorizing the issuance of such series of Bonds and fixing the details thereof; and

WHEREAS, the Issuer has determined to authorize its Improvement Bonds, Unit of Development No. 1A, Series 2024 (the "Series 2024 Bonds") under the Bond Resolution in the aggregate principal amount of not to exceed \$72,000,000.00, as further provided herein, in order to provide financing for the "Series 2024 Project," which is described and defined in Exhibit B attached hereto (the "Series 2024 Project"), and which Series 2024 Project is a portion of the Project; and

WHEREAS, the Issuer expects to receive an offer to purchase the Series 2024 Bonds from MBS Capital Markets, LLC (the "Underwriter") in the form of a Bond Purchase Agreement (the "Bond Purchase Agreement") and desires to authorize the sale of the Series 2024 Bonds to the Underwriter pursuant to the terms and provisions of a Bond Purchase Agreement, substantially in the form attached hereto as Exhibit C (as completed pursuant to the authority hereinafter granted); and

WHEREAS, it is necessary and desirable to authorize the preparation and utilization of a Preliminary Limited Offering Memorandum, substantially in the form attached hereto as Exhibit D, and to authorize the preparation, execution and delivery of a Limited Offering Memorandum in connection with the issuance of the Series 2024 Bonds; and

WHEREAS, it is necessary and desirable to delegate to certain officials of the Issuer the authority to specify the amount, the date, the interest rates, maturity dates, and prepayment or redemption provisions for the Series 2024 Bonds and other matters specified herein; and

WHEREAS, the issuance of the Series 2024 Bonds and their sale to the Underwriter will, in the judgment of the Issuer, serve a public purpose and in all respects conform to the provisions and requirements of the Act.

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of Hobe-St. Lucie Conservancy District that:

Section 1. Authority for this Resolution; Definitions. This Resolution is adopted pursuant to the provisions of the Act and the Bond Resolution. Terms used herein and not otherwise defined herein shall have the meanings ascribed thereto by the Bond Resolution. This Resolution is a Supplemental Resolution with respect to the Series 2024 Bonds.

Section 2. Authorization of the Series 2024 Bonds; Qualification for The Depository Trust Company.

(a) Authorization of the Series 2024 Bonds. The Series 2024 Bonds are hereby authorized to be issued as Tax-Exempt Bonds under and pursuant to Section 2.02 of the Bond Resolution in the aggregate principal amount of not to exceed \$72,000,000.00.

(b) Qualification for The Depository Trust Company. A book-entry only system of registration with DTC is hereby authorized with respect to the Series 2024 Bonds. So long as there shall be maintained a book-entry only system with respect to the Series 2024 Bonds, the following shall apply to the Series 2024 Bonds:

The Series 2024 Bonds shall initially be registered in the name of Cede & Co. as nominee for DTC, which will act initially as securities depository for the Series 2024 Bonds and so long as the Series 2024 Bonds are held in book-entry-only form, Cede & Co. shall be considered the registered Owner for all purposes hereof. On original issue, the Series 2024 Bonds registered pursuant to this section shall be deposited with DTC, which shall be responsible for maintaining a book-entry-only system for recording the ownership interest of its participants ("DTC Participants") and other institutions that clear through or maintain a custodial relationship with a DTC Participant, either directly or indirectly ("Indirect Participants"). The DTC Participants and Indirect Participants will be responsible for maintaining records with respect to the beneficial ownership interests of individual purchasers of the Series 2024 Bonds registered pursuant to this Section ("Beneficial Owners").

Principal and interest on the Series 2024 Bonds accruing prior to and at maturity shall be payable directly to Cede & Co. in care of DTC. Disbursal of such amounts to DTC Participants shall be the responsibility of DTC. Payments by DTC Participants to Indirect Participants, and by DTC Participants and Indirect Participants to Beneficial Owners shall be the responsibility of DTC Participants and Indirect Participants and not of DTC, the Trustee or the Issuer.

The Series 2024 Bonds registered pursuant to this section shall initially be issued in the form of one fully registered Bond for each maturity and shall be held in such form until maturity or earlier redemption in whole. Individuals may purchase beneficial interests in authorized denominations in book-entry only form, without certificated Series 2024 Bonds, through DTC Participants and Indirect Participants.

DURING THE PERIOD FOR WHICH CEDE & CO. IS THE REGISTERED OWNER OF THE SERIES 2024 BONDS, ANY NOTICES TO BE PROVIDED TO ANY REGISTERED OWNER WILL BE PROVIDED TO CEDE & CO. DTC SHALL BE RESPONSIBLE FOR NOTICES TO DTC PARTICIPANTS AND DTC PARTICIPANTS SHALL BE RESPONSIBLE FOR NOTICES TO INDIRECT PARTICIPANTS, AND DTC PARTICIPANTS AND INDIRECT PARTICIPANTS SHALL BE RESPONSIBLE FOR NOTICES TO BENEFICIAL OWNERS.

The Issuer has entered, or will enter, into a blanket letter of representations with DTC providing for such book-entry-only system. Such system may be terminated at any time by either DTC or the Issuer. In the event of such termination, the Issuer shall select another securities depository. If the Issuer does not replace DTC, the Trustee will register and deliver to the Beneficial Owners of Outstanding Series 2024 Bonds replacement Series 2024 Bonds in the form of fully registered Series 2024 Bonds in accordance with the instructions from Cede & Co.

In the event DTC, any successor of DTC or the Issuer elects to discontinue the book-entry-only system, the Trustee shall deliver new Series 2024 Bonds then Outstanding in accordance with the instructions from DTC or its successor and after such time Bonds may be exchanged for an equal aggregate principal amount of Bonds in other authorized denominations and of the same maturity upon surrender thereof at the designated corporate trust office of the Trustee.

None of the Issuer or the Trustee shall have any responsibility to any DTC Participant or Indirect Participant for any action specified in this section as the obligation of DTC or its successor.

Section 3. Establishment of Accounts. The following Accounts for the Series 2024 Bonds are hereby established pursuant to the Bond Resolution and shall be held by the Trustee: (a) in the Costs of Issuance Fund, a Series 2024 Costs of Issuance Account, (b) in the Project Fund, a Series 2024 Project Account, (c) in the Bond Fund, a Series 2024 Interest Account and a Series 2024 Principal Account, and (d) in the Reserve Fund, a Series 2024 Reserve Account. The specific amount of the proceeds of the Series 2024 Bonds and other available funds of the Issuer, if any, to be deposited to the foregoing accounts shall be as specified in the Certificate Establishing the Bond Terms (hereinafter defined) delivered contemporaneously with the issuance of the Series 2024 Bonds.

Section 4. Series 2024 Costs of Issuance Account. The amounts on deposit in the Series 2024 Costs of Issuance Account, until applied, shall be held for the security of the Series 2024 Bonds and shall be applied in accordance with Section 5.04 of the Bond Resolution. Notwithstanding anything to the contrary in the Bond Resolution, amounts in the Series 2024 Costs of Issuance Account not used to pay costs of issuance of the Series 2024 Bonds and for which there is not then a pending requisition held by the Trustee shall be transferred not later than the earlier of the direction of the Issuer or 180 days after the issuance of the Series 2024 Bonds, to the Series 2024 Project Account. When there remain no monies therein, the Series 2024 Costs of Issuance Account shall be closed.

Section 5 Series 2024 Project; Application of Amounts in the Series 2024 Project Account.

(a) Series 2024 Project. Amounts on deposit in the Series 2024 Project, except as otherwise provided herein and in the Bond Resolution, shall be applied solely to pay the Cost of the Series 2024 Project.

(b) Application of Amounts in the Series 2024 Project Account. The amounts on deposit in the Series 2024 Project Account, until applied, shall be held for the security of the Series 2024 Bonds, and shall be applied in accordance with Section 5.06 of the Bond Resolution. Amounts transferred from the Series 2024 Project Account to the Series 2024 Principal Account in accordance with Section 5.06(c) of the Bond Resolution shall be used to pay the principal next coming due on the Series 2024 Bonds; provided, however, in the sole discretion of the Issuer, upon written direction of the Issuer to the Trustee, such amounts may instead be used to accomplish the redemption of the Series 2024 Bonds prior to maturity in accordance with the Certificate Establishing the Bond Terms. When there remain no monies therein, the Series 2024 Project Account shall be closed.

Section 6. Matters Relating to Accounts for the Series 2024 Bonds in the Bond Fund. The Issuer shall deposit Drainage Tax proceeds into the Series 2024 Principal Account and the Series 2024 Interest Account in the Bond Fund in accordance with Section 5.07 of the Bond Resolution, and, as contemplated by Section 5.07 of the Bond Resolution, shall instruct the Trustee in writing as to the application of each such deposit to the credit of the Series 2024 Principal Account and the Series 2024 Interest Account, respectively, and the Trustee may conclusively rely upon such direction.

Section 7. Matters Relating to Series 2024 Reserve Account. The amounts on deposit

in the Series 2024 Reserve Account, until applied, shall be held for the security of the Series 2024 Bonds, and shall be applied in accordance with Section 5.09 of the Bond Resolution. Amounts transferred from the Series 2024 Reserve Account to the Series 2024 Principal Account in accordance with Section 5.09 of the Bond Resolution shall be used to pay the principal next coming due on the Series 2024 Bonds; provided, however, in the sole discretion of the Issuer, upon written direction of the Issuer to the Trustee, such amounts may instead be used to accomplish the redemption of the Series 2024 Bonds prior to maturity in accordance with the Certificate Establishing the Bond Terms.

Section 8. Investment of Funds.

(a) Earnings on Series 2024 Project Account, Series 2024 Costs of Issuance Account, Series 2024 Principal Account and Series 2024 Interest Account. Earnings on investments in the accounts established for the Series 2024 Bonds shall be held and applied as provided in Section 6.01 of the Bond Resolution; provided, however, (i) earnings on moneys held in the Series 2024 Project Account shall be retained, as realized, therein, and used for the purpose of such Series 2024 Project Account; (ii) earnings on moneys held in the Series 2024 Costs of Issuance Account shall be deposited, as realized, to the credit of the Series 2024 Interest Account; (iii) earnings on moneys held in the Series 2024 Principal Account shall be retained, as realized, therein and used for the purpose of such Series 2024 Principal Account; and (iv) earnings on moneys held in the Series 2024 Interest Account shall be retained, as realized, therein and used for the purpose of such Series 2024 Interest Account.

(b) Earnings on Series 2024 Reserve Account. As long as there exists no default under the Bond Resolution and hereunder and the amount on deposit in and credited to the Series 2024 Reserve Account is equal to the Reserve Fund Requirement for the Series 2024 Bonds, earnings on investments in the Series 2024 Reserve Account shall be transferred to the Series 2024 Project Account, provided if the Series 2024 Project Account is closed, then to the Series 2024 Interest Account. If the amount on deposit in and credited to the Series 2024 Reserve Account is less than the Reserve Fund Requirement for the Series 2024 Bonds, earnings on the Series 2024 Reserve Account shall be retained therein until the amount in the Series 2024 Reserve Account is equal to the applicable Reserve Fund Requirement, and thereafter earnings shall be transferred in the manner, and subject to the condition, provided in the preceding sentence.

Section 9. Terms of the Series 2024 Bonds.

(a) Amounts, Maturities, Interest Rates. The Series 2024 Bonds shall be issued in denominations of \$5,000 and integral multiples thereof, shall be numbered consecutively from R-1 upward, and shall be in the form of the Bond attached to the Bond Resolution as Exhibit A, with such changes as may be approved by the hereinafter specified delegated officers of the Issuer executing the Series 2024 Bonds, such execution to be conclusive evidence of such approval. The Series 2024 Bonds shall be issued on such date, shall be dated such date, and shall bear interest from such date, payable on the first day of May and November of each year (the "Interest Payment Dates"), commencing on such date, shall be issued in an aggregate principal amount not to exceed the amount described in Section 2 hereof, shall bear interest at the rates per annum, computed on the basis of a 360-day year consisting of twelve thirty day months, shall be subject to optional and or mandatory redemption and shall mature on May 1 of the years, as to be set forth in a certificate

in the form attached hereto as Exhibit A (the "Certificate Establishing the Bond Terms") completed and signed by the President, or in the absence or inability to act of the President, any other member of the Board, all of whom are hereby specified as the District's delegated officers, provided, however, that the interest rate on the Series 2024 Bonds shall not exceed the maximum lawful rate and the final maturity date of the Series 2024 Bonds shall not be later than May 1, 2064. The President, or in the absence of the President, any other member of the Board, are, jointly and severally, authorized to determine the details of the Series 2024 Bonds within the parameters set forth above, and upon such determination to execute the Certificate Establishing the Bond Terms, appropriately modified and completed with the details of the Series 2024 Bonds, thereby conclusively establishing such details.

Series 2024 Bonds issued in exchange for or upon the registration of transfer of any Series 2024 Bonds on or after the first Interest Payment Date thereon shall bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless the date of such authentication shall be an Interest Payment Date to which interest on the Series 2024 Bonds has been paid in full or duly provided for, in which case such Series 2024 Bonds shall bear interest from such Interest Payment Date, provided that any Series 2024 Bond issued in exchange for or upon the transfer of any Series 2024 Bond on or after a Record Date and before the Interest Payment Date next succeeding such Record Date shall bear interest from such Interest Payment Date; provided further that if, as shown by the records of the Trustee, interest on the Series 2024 Bonds shall be in default, a Series 2024 Bond issued in exchange for or upon the registration of transfer of a Series 2024 Bond shall bear interest from the date to which accrued interest has been paid in full on such Series 2024 Bond, or if no interest has been paid on the Series 2024 Bonds, from the dated date of such Series 2024 Bonds.

On each Interest Payment Date, interest accruing on the Series 2024 Bonds from and including the preceding Interest Payment Date (or the dated date of the Series 2024 Bonds, as the case may be), to but not including such Interest Payment Date shall be due and payable as provided for herein. Interest will be paid by check or draft mailed on the Interest Payment Date by the Trustee to the registered Owners as of the close of business at the Designated Office of the Trustee on the Record Date; provided, however, that upon the written request of and at the expense of any Owner of at least \$1,000,000 principal amount of Series 2024 Bonds (or of all Series 2024 Bonds if less than \$1,000,000 shall be unpaid), interest will be paid to such Owner by wire transfer to a bank account specified in such written request. Principal, and premium, if any, of Series 2024 Bonds is payable when due upon presentation and surrender of Series 2024 Bonds at the Designated Office of the Trustee.

(b) Reserve Fund Requirement. The Reserve Fund Requirement for the Series 2024 Bonds shall be as set forth in the completed and executed Certificate Establishing the Bond Terms for the Series 2024 Bonds.

(c) Change of Series Designation. If the Series 2024 Bonds are not issued in 2024, the series designation of such Bonds may be changed to set forth the year in which they are issued, in which case all references herein to "Series 2024 Bonds" shall, without further action, be deemed to refer to the year in which such Bonds are issued.

Section 10. Continuing Disclosure. The Issuer agrees, in accordance with the provisions of, and to the degree necessary to comply with, the secondary market disclosure requirements of Securities and Exchange Commission Rule 15c2-12 (the "Rule"), to file with the MSRB (hereinafter defined) in an electronic format and with such identifying information as prescribed by the MSRB:

(a) the following annual financial information and operating data (the "Annual Information"), commencing with the Fiscal Year ended September 30, 2024:

(i) Updates of the financial information and operating data of the type set forth in the final Limited Offering Memorandum for the Series 2024 Bonds, including updates of the historical assessment levy, collection and delinquency rates and assessed valuation data, in a form which is generally consistent with the presentation of such information in the final Limited Offering Memorandum for the Series 2024 Bonds; and

(ii) Audited financial statements with respect to the Issuer utilizing generally accepted accounting principles for local governments.

The information in clauses (i) and (ii) above will be available for each Fiscal Year on or prior to the next April 1 following the end of such Fiscal Year, and will be made available, in addition to the MSRB, to each Owner and beneficial owner of the Series 2024 Bonds who requests such information in writing (the District may assume that any person purporting to be an Owner or beneficial owner is an Owner or a beneficial owner for the purpose of this sentence). The financial statements referred to in clause (ii) above may be made available separately from the information in clause (i) above and will be provided by the Issuer as soon as practical after acceptance of such statements from the auditors by the Issuer, but by no later than June 30; if not available within one year after the end of the Fiscal Year, unaudited information will be provided in accordance with the time frame set forth above and audited financial statements will be provided as soon after such time as they become available;

(b) in a timely manner not in excess of ten Business Days after the event, notice of occurrence of any of the following events with respect to the Series 2024 Bonds:

- (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 Series 2024 Bonds, or other material events affecting the tax status of the Bonds;

- (vii) modifications to rights of holders of the Series 2024 Bonds, if material;
- (viii) bond calls, if material, and tender offers;
- (ix) defeasances;
- (x) release, substitution or sale of any property securing repayment of the Series 2024 Bonds, if material;
- (xi) rating changes;

(xii) bankruptcy, insolvency, receivership, or similar proceeding of the Issuer. For purposes of this clause (xii), any such event shall be considered to have occurred when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer;

(xiii) mergers, consolidations, or acquisitions of the Issuer, the sale of all or substantially all of the assets of the Issuer, 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 paying agent or the change of the name of a trustee or paying agent, if material;

(xv) incurrence of a financial obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or similar terms of a financial obligation of the Issuer, any of which affect security holders, if material; and

(xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Issuer, any of which reflect financial difficulties;

(c) in a timely manner, to the MSRB, notice of its failure to provide the Annual Information with respect to itself on or prior to September 30 following the end of the preceding Fiscal Year.

For purposes of this Section 10, the term "financial obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term "financial obligation" shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

For purposes of this Section 10, "MSRB" means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, as amended.

The foregoing covenants of this Section 10 shall run to the benefit of the Owners and the beneficial owners of Series 2024 Bonds owned in book-entry format. However, failure to meet the covenants set forth in this Section 10 shall not be deemed to constitute an Event of Default or a breach of any other covenant under this Resolution or the Bond Resolution, and the sole remedy for such a default or breach shall be as described in the next paragraph.

Any Owner or any beneficial owner may either at law or in equity, by suit, action, mandamus or other proceeding in any court of competent jurisdiction, protect and enforce any and all rights granted or contained in this Section 10 and may enforce and compel the performance of all duties required by this Section 10 to be performed by the Issuer or by any officers thereof.

Notwithstanding any other provision of this Resolution or the Bond Resolution, this Section 10 may be amended only as follows: (a) the amendment 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 Issuer or the type of business conducted by the Issuer; (b) the provisions of this Section 10, as so amended, would have complied with the requirements of Rule 15c2-12 of the Securities and Exchange Commission as in effect as of the date of issuance of the Series 2024 Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and (c) the amendment does not materially impair the interest of the Owners and/or beneficial owners as determined by an opinion of Bond Counsel delivered to the Issuer, or by approving vote of the Owners or beneficial owners of a majority in principal amount of the Outstanding Series 2024 Bonds at the time of the amendment. In the event of any amendment hereto, the annual financial information provided subsequent to such amendment shall explain, in narrative form, the reasons for the amendment and the impact of the change, if any, in the type of operating data or financial information being provided by the Issuer. If the amendment affects the accounting principles to be followed in preparing financial statements of the Issuer, the annual financial information for the year in which the change is made must present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison must include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the Issuer to meet its obligations. To the extent reasonably feasible, the comparison should also be quantitative. A notice of the change in the accounting principles must be sent to the MSRB.

Section 11. Trustee. The Bank of New York Mellon Trust Company, N.A. is appointed as the Trustee for the Bonds, including the Series 2024 Bonds. The President, or in the absence or inability to act of the President, any other member of the Board, are, jointly and severally, authorized and directed for and in the name of the Issuer to execute and deliver a Trustee Agreement (the "Trustee Agreement") between the Issuer and the Trustee, in such form as shall be approved by the official executing the same consistent with this Resolution and the terms of the Act, with such execution to constitute conclusive evidence of such approval.

Section 12. Authority to Award the Series 2024 Bonds. The Issuer hereby determines that a negotiated sale of the Series 2024 Bonds upon the terms and conditions outlined herein and in the Bond Purchase Agreement is in the best interest of the Issuer and the citizens and inhabitants of the Issuer by reason of the volatility of the market for bonds such as the Series 2024 Bonds.

The Bond Purchase Agreement, substantially in the form attached hereto as Exhibit C, is hereby approved, with such insertions, deletions, modifications and changes as may be approved by the President, or in the absence or inability to act of the President, any other member of the Board, in consultation with the Issuer's bond counsel and general counsel. Upon such approval and establishment of the terms of the Series 2024 Bonds pursuant to Section 9 hereof, the President, or in the absence or inability to act of the President, any other member of the Board, are, jointly and severally, authorized to award the Series 2024 Bonds to the Underwriter at a price of not less than 98.75% of the par amount of the Series 2024 Bonds, exclusive of any original issue discount or original issue premium. The Underwriter must limit the initial offering of the Series 2024 Bonds to Accredited Investors (as defined in Regulation D (17 C.F.R 230.501) of the Securities and Exchange Commission). Upon the award of the sale of the Series 2024 Bonds to the Underwriter, the President, or in the absence or inability to act of the President, any other member of the Board, are, jointly and severally, authorized and directed for and in the name of the Issuer to execute and deliver the Bond Purchase Agreement among the Issuer, the Landowner and the Underwriter, in such form as shall be approved by the official executing the same consistent with this Resolution and the terms of the Act, with such execution to constitute conclusive evidence of such approval by the Issuer, provided that the Bond Purchase Agreement shall include the agreement of the Underwriter to limit the initial offering of the Series 2024 Bonds to Accredited Investors as aforesaid. Prior to the execution by the Issuer of the Bond Purchase Agreement, the Underwriter shall have filed with the Issuer the disclosure statement required by Section 218.385(6), Florida Statutes, and the competitive bidding for the Series 2024 Bonds is hereby waived pursuant to the authority of Section 218.385(1), Florida Statutes.

Section 13. Preliminary and Final Limited Offering Memorandums. The Preliminary Limited Offering Memorandum relating to the Series 2024 Bonds in substantially the form attached hereto as Exhibit D is hereby approved, with such insertions, deletions, modifications and changes as may be approved by the President, or in the absence or inability to act of the President, any other member of the Board, in consultation with the Issuer's bond counsel and general counsel. The Issuer hereby authorizes the President, or in the absence or inability to act of the President, any other member of the Board, to approve the final form of a Preliminary Limited Offering Memorandum for the Series 2024 Bonds and to "deem final" the Preliminary Limited Offering Memorandum for purposes of Securities and Exchange Commission Rule 15c2-12, and upon such deeming, authorizes the utilization of the Preliminary Limited Offering Memorandum in connection with the offering of the Series 2024 Bonds. The Issuer hereby authorizes the preparation of a final Limited Offering Memorandum relating to the Series 2024 Bonds, which shall be in the form of the Preliminary Limited Offering Memorandum with such changes, alterations and corrections therein as may be approved by the delegated officer of the Issuer executing the same, with such approval to be conclusively established by such execution, and the President, or in the absence or inability to act of the President, any other member of the Board, are hereby authorized and directed for and in the name of the Issuer to execute and deliver the Limited Offering Memorandum, as hereby authorized.

Section 14. Application of Proceeds; Costs of Issuance. The proceeds from the sale of the Series 2024 Bonds shall be applied for deposit to the accounts established pursuant to the Bond Resolution and this Resolution, and shall be used to pay such costs of issuance of the Series 2024 Bonds from the Series 2024 Costs of Issuance Account, all as provided in the Certificate Establishing the Bond Terms, appropriately completed for the Series 2024 Bonds, and the President, or in the absence or inability to act of the President, any other member of the Board is authorized and directed to conclusively establish such application of the proceeds from the sale of the Series 2024 Bonds by signing the Certificate Establishing the Bond Terms.

Section 15. Execution and Delivery of the Series 2024 Bonds. The President, or in the absence or inability to act of the President, any other member of the Board, and the Secretary, or in the absence or inability to act of the Secretary, any other member of the Board, are hereby authorized and directed on behalf of the Issuer to execute the Series 2024 Bonds as provided in the Bond Resolution and this Resolution, and such officials are hereby authorized and directed upon the execution of the Series 2024 Bonds in the form and manner set forth in this Resolution and in the Bond Resolution to deliver the Series 2024 Bonds in the amount authorized to be issued hereunder to the Trustee for authentication and delivery to or upon the order of the Underwriter upon payment of the purchase price set forth in the Certificate Establishing the Bond Terms for the Series 2024 Bonds as completed pursuant to the provisions of this Resolution.

Section 16. Authorizations. The Supervisors and Secretary of the Issuer are hereby jointly and severally authorized to do all acts and things required of them by this Resolution, the Bond Resolution and the Bond Purchase Agreement, or desirable or consistent with the requirements hereof or thereof, for the full, punctual and complete performance of all terms, covenants and agreements contained in the Series 2024 Bonds, the Bond Resolution, this Resolution, the Trust Agreement and the Bond Purchase Agreement, including, without limitation, the execution and delivery of a customary safekeeping agreement with DTC and the engagement of a dissemination agent and the execution and delivery of a customary dissemination agent agreement. Any and all Supervisors are hereby authorized to execute, publish, file and record such other documents, instruments, notices, and records and to take such other actions as shall be necessary or desirable to accomplish the purposes of this Resolution and the Bond Resolution.

Section 17. Resolution to Constitute a Contract. In consideration of the purchase and acceptance of the Series 2024 Bonds authorized to be issued hereunder by those who shall be the Owners thereof from time to time, this Resolution shall constitute a contract between the Issuer and such Owners, and all covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit and security of all of the Owners.

Section 18. No Implied Beneficiary. With the exception of any rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Resolution or the Series 2024 Bonds is intended or shall be construed to give any person other than the Issuer, the Trustee, the Underwriter and the Owners, any legal or equitable right, remedy or claim under or with respect to this Resolution, or any covenants, conditions and provisions herein contained; this Resolution and all of the covenants, conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of the Issuer, the Trustee, the Underwriter and the Owners.

Section 19. Severability. If any provision of this Resolution shall be held or deemed to be or shall, in fact, be illegal, inoperative or unenforceable in any context, the same shall not affect any other provision herein or render any other provision (or such provision in any other context) invalid, inoperative or unenforceable to any extent whatsoever, unless the same shall materially and adversely affect the obligations of the Issuer otherwise set forth herein.

Section 20. Repealer. All resolutions or parts thereof of the Issuer in conflict with the provisions herein contained are, to the extent of any such conflict, hereby superseded and repealed, including Resolution No. 2023-06 adopted on October 25, 2023, which is deemed amended and restated in its entirety hereby.

Section 21. Effective Date. This Resolution shall take effect immediately upon its adoption.

PASSED AND APPROVED this 27th day of March, 2024.

President, Board of Supervisors

(SEAL)
Attest:

Secretary, Board of Supervisors

EXHIBIT A

CERTIFICATE ESTABLISHING THE BOND TERMS

SERIES 2024 BONDS

- I. (a) Issue Date:
- (b) Amounts, Maturities and Interest Rates:

<u>Amount</u>	<u>Maturity</u> <u>(May 1)</u>	<u>Interest Rate</u>
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(c) Optional Redemption. The Series 2024 Bonds are not subject to redemption at the option of the Issuer prior to May 1, ____, except as described below. The Series 2024 Bonds are subject to redemption prior to maturity at the option of the Issuer, in whole or in part, on any date on or after May 1, ____ at the redemption price equal to the principal amount being redeemed, plus accrued interest thereon to the date of redemption.

- (d) Extraordinary Optional Redemption at Par.

(i) Amounts transferred from the Series 2024 Reserve Account to the Series 2024 Principal Account in accordance with Section 5.09 of the Bond Resolution and Section 7 of Amended and Restated Resolution No. 2024-05 (the "2024 Supplemental Resolution") may, at the option of the Issuer, in its sole discretion, and upon written direction of the Issuer to the Trustee, be used to redeem Series 2024 Bonds, prior to maturity, in whole or in part at any time, at a price equal to the principal amount thereof plus accrued interest to the date of redemption.

(ii) Amounts transferred from the Series 2024 Project Account to the Series 2024 Principal Account in accordance with Section 5.06(c) of the Bond Resolution and Section 5(b) of the 2024 Supplemental Resolution may, at the option of the Issuer, in its sole discretion, and upon written direction of the Issuer to the Trustee, be used to redeem Series 2024 Bonds, prior to maturity, in whole or in part at any time, at a price equal to the principal amount thereof plus accrued interest to the date of redemption.

The Series 2024 Bonds to be redeemed pursuant to any redemption in this subsection (d) will be selected from each maturity of the Series 2024 Bonds on a reasonably proportionate basis, based upon the ratio of the outstanding principal amount of each such maturity to the outstanding principal amount of all Series 2024 Bonds.

(e) Mandatory Redemption of Term Bonds. The Series 2024 Bonds maturing on May 1, ____ shall be subject to mandatory redemption (except for the final installment due at maturity, which is not a redemption) in part by the Issuer at a redemption price equal to the unpaid principal

amount thereof plus accrued interest thereon to the redemption date, on May 1 in the years and in the principal amounts set forth below:

<u>Year</u>	<u>Amount</u>
*	\$
<hr/>	
*Maturity	

The Series 2024 Bonds maturing on May 1, ____ shall be subject to mandatory redemption (except for the final installment due at maturity, which is not a redemption) in part by the Issuer at a redemption price equal to the unpaid principal amount thereof plus accrued interest thereon to the redemption date, on May 1 in the years and in the principal amounts set forth below:

<u>Year</u>	<u>Amount</u>
*	\$
<hr/>	
*Maturity	

Upon any redemption of the Series 2024 Bonds (other than Series 2024 Bonds subject to mandatory redemption) the Issuer shall cause to be recalculated and delivered to the Trustee a revised schedule of mandatory sinking fund redemption of the Series 2024 Bonds so as to re-amortize the remaining Outstanding Series 2024 Bonds in substantially equal annual installments of principal and interest (subject to rounding to authorized denominations of principal) over the remaining term of the Series 2024 Bonds.

If as of any date the Issuer shall have discharged, whether through purchase for cancellation, redemption or otherwise, Series 2024 Bonds of a maturity in excess of the aggregate mandatory redemption requirements to but not including such date, such excess of Series 2024 Bonds of such maturity so discharged and not previously applied as a credit as described in this paragraph shall be credited over such of the remaining mandatory redemption dates for such Series 2024 Bonds as the Issuer shall determine, and shall reduce the amount of such Series 2024 Bonds of such maturity otherwise subject to mandatory redemption on such date(s). Provided, however, that no such excess shall be credited to the amount of Series 2024 Bonds subject to mandatory redemption on a particular May 1 after the selection of Series 2024 Bonds to be redeemed on such date has been made.

(f) Sale Price to Underwriter: \$_____ (par, minus underwriter's discount of \$_____, minus original issue discount of \$_____ plus original issue premium of \$_____).

(g) Application of Proceeds of Series 2024 Bonds:

Deposit to Series 2024 Interest Account of Bond Fund -	\$ _____
Deposit to Series 2024 Reserve Account of Reserve Fund -	\$ _____
Deposit to Series 2024 Project Account of Project Fund -	\$ _____
Deposit to Series 2024 Cost of Issuance Account of Cost of Issuance Fund -	\$ _____

(h) Costs of Issuance to be paid from the Series 2024 Cost of Issuance Account:

EXHIBIT B

CERTIFICATE OF DISTRICT ENGINEER

CERTIFICATE OF DISTRICT ENGINEER

January 24, 2024

The undersigned is an authorized representative of Higgins Engineering, Inc., the District Engineer (the "District Engineer") for Hobe-St. Lucie Conservancy District (the "District"). The District Engineer has previously prepared that certain Water Control Plan for Unit of Development No. 1A approved June 22, 2022, as amended in the First Amended Water Control Plan on October 13, 2022 and amended in the Second Amended Water Control Plan on June 28, 2023 and amended in the Amended and Restated Water Control Plan on January 24, 2024 (together and as approved by the District's Board of Supervisors, the "Plan of Improvements"). The Plan of Improvements sets forth public infrastructure improvements authorized to be developed for the benefit of the District's Unit of Development 1A (the "Unit").

It is the undersigned's understanding that the District anticipates issuing its Improvement Bonds, Unit of Development No. 1A, Series 2024 (the "Series 2024 Bonds") to fund the design, installation, acquisition and/or construction of the following listed public infrastructure improvements described in the Plan of Improvements (referred to collectively as the "Series 2024 Project"):

<u>Category of Improvements</u>	<u>Estimated Cost</u>
Lakes	\$38,924,839.00
Water Utilities	\$7,226,074.00
Sewer Utilities	\$18,967,105.00
Drainage	\$9,978,390.00
Contingency	\$7,509,641.00
Total	\$82,606,049.00

The Series 2024 Project consists solely of public improvements permitted to be undertaken by the District pursuant to Chapter 2005-339, Florida Statutes, as amended and supplemented from time to time, and Chapter 298, Florida Statutes. All drainage improvements included in the Series 2024 Project are an integral part of the surface/storm water management system needed to serve the Unit. The Series 2024 Project will be (i) owned by the District or another governmental entity and located on public property or within public rights of way or easements and (ii) part of a publicly owned drainage or utility system, as applicable.

All drainage improvements included in the Series 2024 Project have been, or will be, constructed in accordance with applicable requirements of governmental authorities with

jurisdiction over the lands in the Unit and not for the purpose of creating fill for private property. No private earthwork is included in the Series 2024 Project. Accordingly, the District will not fund from proceeds of the Series 2024 Bonds (i) any costs of mass grading private lots or other private property, and (ii) the lake or canal excavation for surface water management and drainage purposes includes only the portion from the normal water level to the depth required to meet the water management requirements permitted by the South Florida Water Management District. The purpose of the lakes and associated canals is to manage surface/storm water, with any use of such water for irrigation on private property being incidental to that purpose. It is less expensive to allow the developer of the land in the Unit to use any excess fill generated by construction of the Series 2024 Project than to haul such fill off-site.

The estimated useful life of the Series 2024 Project is at least 30 years.

It is reasonably expected that the District will expend proceeds of the Series 2024 Bonds to acquire and/or construct the Series 2024 Project within three years from the date of issuance of the Series 2024 Bonds.

IN WITNESS WHEREOF, the undersigned has executed this certificate as of the date and year written above.

HIGGINS ENGINEERING, INC.



EXHIBIT C

FORM OF BOND PURCHASE AGREEMENT

\$[_____]
HOBE-ST. LUCIE CONSERVANCY DISTRICT
IMPROVEMENT BONDS,
UNIT OF DEVELOPMENT NO. 1A, SERIES 2024

BOND PURCHASE AGREEMENT

[_____], 2024

Hobe-St. Lucie Conservancy District
c/o Special District Services, Inc., District Manager
2501A Burns Road
Palm Beach Gardens, Florida 33410

Ladies and Gentlemen:

On the basis of the representations, warranties, and covenants, and upon the terms and conditions, contained in this Bond Purchase Agreement (the “Bond Purchase Agreement”), the undersigned, MBS Capital Markets, LLC (the “Underwriter”), offers to enter into this Bond Purchase Agreement with you, the Hobe-St. Lucie Conservancy District (the “Issuer” or the “District”), subject to written acceptance hereof by the Issuer and Discovery Hobe Sound Investors, LLC (the “Landowner”) at or before 6:00 p.m., New York/eastern time, on the date hereof, and, if not so accepted, will be subject to withdrawal by the Underwriter upon notice delivered to the Issuer at any time prior to the acceptance hereof by the Issuer. The Landowner is joining in this Bond Purchase Agreement solely for certain limited purposes set forth herein. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to such terms in the Limited Offering Memorandum or Resolution (each as defined herein).

1. Purchase and Sale. Upon the terms and conditions and in reliance on the representations, warranties, covenants and agreements set forth herein, the Underwriter hereby agrees to purchase from the Issuer, and the Issuer hereby agrees to sell and deliver to the Underwriter, all of the \$[_____] aggregate principal amount of the Issuer’s Improvement Bonds, Unit of Development No. 1A, Series 2024 (the “Series 2024 Bonds”). Inasmuch as this purchase and sale represents a negotiated transaction, the Issuer understands, and hereby confirms, that the Underwriter is not acting as a fiduciary to the Issuer, but rather is acting solely in its capacity as Underwriter for its own account.

The Series 2024 Bonds shall be dated as of the date of their delivery, and shall be payable in the years and principal amounts, bear such rates of interest and be subject to redemption, all as set forth in Exhibit A attached hereto. Interest on the Series 2024 Bonds is payable semi-annually on the first day of May and November of each year, commencing [November 1, 2024]. The purchase price for the Series 2024 Bonds shall be \$[_____] (the “Purchase Price”) (representing the par amount of the Series 2024 Bonds of \$[_____] [less/plus] [net] original issue [discount/premium], and less an Underwriter’s discount of \$[_____]).

The disclosure statement required by Section 218.385, Florida Statutes, is attached hereto as Exhibit B.

The Series 2024 Bonds shall be as described in and shall be issued pursuant to the authority of Chapter 2005-339, Laws of Florida, as amended and supplemented from time to time, applicable provisions of Chapter 298, Florida Statutes, as amended, and other applicable provisions of law (collectively, the “Act”) and Resolution No. 2022-06 adopted by the Board of Supervisors (the “Board”) of the District on June 22, 2022, as amended and restated by Resolution No. 2023-05, adopted by the Board on October 25, 2023, and as further amended and restated by Resolution No. 2024-[], adopted by the Board on March 27, 2024, and as may hereafter be amended, restated and supplemented (the “Master Resolution”), and as particularly supplemented with respect to the Series 2024 Bonds by Resolution No. 2024-[], adopted by the Board on March 27, 2024 (the “Award Resolution” and, together with the Master Resolution, the “Resolution”).

The Series 2024 Bonds are being issued to provide funds to: (i) pay a portion of the costs, including purchase, of the Series 2024 Project with respect to Unit of Development No. 1A of the District, (ii) pay the costs of issuing the Series 2024 Bonds, (iii) fund a deposit to the Series 2024 Reserve Account for the Series 2024 Bonds, and (iv) pay interest coming due on the Series 2024 Bonds through November 1, 2025.

The Series 2024 Bonds will be secured by the Trust Estate as more fully described in the Resolution and subject to the terms and conditions thereof. The District has levied the Drainage Taxes in the Unit in accordance with Resolution 2022-05, adopted on June 22, 2022 (the “Tax Resolution”).

2. Delivery of Limited Offering Memorandum and Other Documents.

(a) Prior to the date hereof, the Issuer has provided to the Underwriter for its review the Preliminary Limited Offering Memorandum dated _____, 2024, that the Issuer deemed “final” (as required by Rule 15c2-12 of the Securities and Exchange Commission (“Rule 15c2-12” or the “Rule”) as of its date (the “Preliminary Limited Offering Memorandum”), except for certain permitted omissions (the “Permitted Omissions”), as contemplated by the Rule in connection with the pricing of the Series 2024 Bonds. The Underwriter has reviewed the Preliminary Limited Offering Memorandum prior to the execution of this Bond Purchase Agreement. The Issuer hereby confirms that the Preliminary Limited Offering Memorandum was “final” as of its date, except for the Permitted Omissions.

(b) The Issuer shall deliver, or cause to be delivered, at its expense, to the Underwriter within seven (7) business days after the date hereof, and at least three (3) business days prior to the date the Series 2024 Bonds are delivered to the Underwriter, or within such other period as may be prescribed by the Municipal Securities Rulemaking Board (“MSRB”) in order to accompany any confirmation that requests payment from any customer (i) the number of copies of the final Limited Offering Memorandum (the “Limited Offering Memorandum”) the

Underwriter requests to enable the Underwriter to fulfill its obligations pursuant to the securities laws of Florida and the United States, in form and substance satisfactory to the Underwriter, and (ii) an executed original counterpart or certified copy of the Limited Offering Memorandum and the Resolution. In determining whether the number of copies to be delivered by the Issuer are reasonably necessary, at a minimum, the number the Underwriter requests shall be sufficient to enable the Underwriter to comply with the requirements of Rule 15c2-12, all applicable rules of the MSRB, and to fulfill its duties and responsibilities under Florida and federal securities laws generally.

The Underwriter agrees to timely file the Limited Offering Memorandum with the MSRB's Electronic Municipal Market Access System ("EMMA") at <http://emma.msrb.org> portal.

The Issuer authorizes, or ratifies as the case may be, the use and distribution of the Resolution, the Preliminary Limited Offering Memorandum, the Limited Offering Memorandum and the information contained therein in connection with the public offering and sale of the Series 2024 Bonds. The Underwriter agrees that it will not confirm the sale of any Series 2024 Bonds unless the confirmation of sale requesting payment is accompanied or preceded by the delivery of a copy of the Limited Offering Memorandum to the buyer.

(c) From the date hereof until the earlier of (i) ninety days after the "end of the underwriting period" (as defined in the Rule), or (ii) the time when the Limited Offering Memorandum is available to any person on EMMA (but in no case less than 25 days following the end of the underwriting period), if any event occurs which is known to the Issuer which may make it necessary to amend or supplement the Limited Offering Memorandum in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, the Issuer shall notify the Underwriter and if, in the reasonable opinion of the Issuer or the reasonable opinion of the Underwriter, such event requires the preparation and publication of an amendment or supplement to the Limited Offering Memorandum, the Issuer at its expense (unless such event was caused by the Underwriter or the Landowner in which event such responsible party shall be responsible for such expense), will promptly prepare an appropriate amendment or supplement thereto and shall file or cause, to be filed, the same with EMMA so that the statements in the Limited Offering Memorandum as so amended or supplemented will not, in light of the circumstances under which they were made, be misleading, in a form and in a manner reasonably approved by the Underwriter. The Issuer will promptly notify the Underwriter of any event of which it has knowledge, which, in its reasonable opinion, is an event described in the preceding sentence, as shall the Landowner.

(d) From the date hereof until the earlier of (i) ninety days after the "end of the underwriting period" (as defined in the Rule), or (ii) the time when the Limited Offering Memorandum is available to any person on EMMA (but in no case less than 25 days following the end of the underwriting period), if any event occurs which is known to the Landowner which may make it necessary to amend or supplement the portions of the Limited Offering Memorandum under the captions "THE LANDOWNER AND DEVELOPER," "ATLANTIC FIELDS", "LITIGATION - The Landowner," and, only with respect to the Landowner, the

Developer and Atlantic Fields (as defined in the Preliminary Limited Offering Memorandum), and in Appendix C, in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, the Landowner shall notify the Issuer and the Underwriter of the event and if, in the reasonable opinion of the Issuer or the reasonable opinion of the Underwriter, such event requires the preparation and publication of an amendment or supplement to the Limited Offering Memorandum, the Issuer at its expense (unless such event was caused by the Underwriter or the Landowner in which event such responsible party shall be responsible for such expense), will promptly prepare an appropriate amendment or supplement thereto and shall file or cause, to be filed, the same with EMMA so that the statements in the Limited Offering Memorandum as so amended or supplemented will not, in light of the circumstances under which they were made, be misleading, in a form and in a manner reasonably approved by the Underwriter. The Landowner will promptly notify the Underwriter and the District of any event of which it has knowledge, which, in its reasonable opinion, is an event described in the preceding sentence.

(e) Any issued amendments or supplements that may be authorized for use with respect to the Series 2024 Bonds are hereinafter included within the term “Limited Offering Memorandum.” Unless otherwise advised in writing by the Underwriter to the Issuer and Landowner on _____, 2024 (date of the “Closing”) that the Underwriter retains directly an unsold balance of the Series 2024 Bonds, the end of the underwriting period shall be the date of Closing.

3. Authority of the Underwriter. Neither the Underwriter nor any “person” or “affiliate” thereof have been on the “convicted vendor list” during the past 36 months as all such terms are defined in Section 287.133, Florida Statutes.

4. Limited Public Offering; Issue Price.

(a) The Underwriter agrees to make a bona fide limited offering to “accredited investors” representing the general public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of Underwriter or wholesalers) of all of the Series 2024 Bonds at not in excess of the initial public offering price or prices (or below the yield or yields) set forth in Exhibit A hereto; provided, however, that the Underwriter may (i) offer and sell the Series 2024 Bonds to certain bond houses, brokers or to similar persons or organizations acting in the capacity of underwriters or wholesalers at prices lower than the public offering prices set forth in Exhibit A hereto, and (ii) change such initial offering prices (or yields) as the Underwriter deems necessary in connection with the marketing of the Series 2024 Bonds. The Underwriter agrees to assist the Issuer in establishing the issue price of the Series 2024 Bonds and shall execute and deliver to the Issuer at Closing (as defined herein) an “issue price” or similar certificate (the “Issue Price Certificate”), together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit C, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the Issuer and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Series 2024 Bonds.

(b) Except as otherwise set forth in the Issue Price Certificate, the Issuer will treat the first price at which 10% of each maturity of the Series 2024 Bonds (the “10% test”) is sold to the public as of the Sale Date (as defined in the Issue Price Certificate) as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% test). At or promptly after the execution of this Bond Purchase Agreement, the Underwriter shall report to the Issuer the price or prices at which it has sold to the public each maturity of Bonds.

(c) The Underwriter confirms that it has offered the Series 2024 Bonds to the public on or before the date of this Bond Purchase Agreement at the offering price or prices (the “initial offering price”), or at the corresponding yield or yields, set forth in Schedule I of Exhibit C attached hereto, except as otherwise set forth therein. Schedule 1 reflects that as of the date of this Bond Purchase Agreement, the 10% test has been satisfied for each maturity of the Series 2024 Bonds.

(d) The Underwriter confirms that there will not be any selling group agreements or any retail distribution agreements relating to the initial sale of the Series 2024 Bonds to the public.

(e) The Underwriter acknowledges that sales of any Series 2024 Bonds to any person that is a related party to the Underwriter shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

(i) “public” means any person other than an underwriter or a related party,

(ii) “underwriter” means (A) any person that agrees pursuant to a written contract with the District (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Series 2024 Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Series 2024 Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Series 2024 Bonds to the public),

(iii) “related party” means a purchaser of any of the Series 2024 Bonds whereby the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) “sale date” means the date of execution of this Bond Purchase Agreement by all parties.

5(a). Issuer Representations, Warranties, Covenants and Agreements. Subject to the disclosure in and the content of the Limited Offering Memorandum, the Issuer represents and warrants to and covenants and agrees to and with the Underwriter that:

(i) The Issuer is validly existing as a water control district of the State of Florida (the “State”), having the powers and authority set forth in the Act and the Resolution and is authorized and empowered by law to issue, sell and deliver the Series 2024 Bonds to the Underwriter as described herein; to construct or acquire the Improvements, as the case may be, as described in the Water Control Plan for the Unit approved on June 22, 2022, as amended and restated, and to apply the proceeds of the Series 2024 Bonds to the costs or purchase of the portion of the Improvements comprising the Series 2024 Project (which is a portion of the Project); to levy the Drainage Taxes as described in the Tax Resolution; to accept this Bond Purchase Agreement and perform as required herein; to execute the Trustee Agreement for the Series 2024 Bonds (the “Trustee Agreement”) dated the date of Closing, between the Issuer and The Bank of New York Mellon Trust Company, N.A. (the “Trustee”) and the Landowner’s Agreement dated the ___ day of _____, 2024, between the Issuer and the Landowner (the “Landowner’s Agreement”); to execute the Limited Offering Memorandum; and that it intends to carry out and consummate all other transactions contemplated by the Limited Offering Memorandum and by each of this subparagraph’s aforesaid documents, agreements and resolutions as are therein required of it. The Trustee Agreement, the Landowner’s Agreement, the Resolution, the Limited Offering Memorandum, and the Tax Resolution are collectively referred to herein as the “Issuer Documents.”

(ii) By official action of the Issuer taken prior to or concurrently with the acceptance hereof, the Issuer has duly approved or adopted the Issuer Documents; the Issuer Documents are in full force and effect, and have not been amended, modified or rescinded; the Issuer has duly authorized and approved the execution and delivery of, and the performance by the Issuer of its obligations contained in the Series 2024 Bonds, the Issuer Documents and this Bond Purchase Agreement, and the consummation by the Issuer of all other transactions contemplated by the Issuer Documents and this Bond Purchase Agreement to have been performed or consummated by the Issuer at or prior to the date of Closing, and the Issuer is in compliance with the provisions of the Resolution and the Tax Resolution. The Issuer agrees to comply with Section 10 of Resolution [2024-___] relating to continuing disclosure.

(iii) When delivered to and paid for by the Underwriter in accordance with the terms of this Bond Purchase Agreement, the Series 2024 Bonds will have been duly and validly authorized, executed, issued and delivered, and the Resolution and the Tax

Resolution will have been duly adopted and each such instrument will constitute a legal, valid and binding limited obligation of the Issuer enforceable in accordance with their respective terms, subject to applicable bankruptcy, insolvency or other laws affecting creditors' rights and remedies generally and to general principles of equity; and the Resolution will provide, for the benefit of the holders, from time to time, of the Series 2024 Bonds, the legally valid and binding pledge of the Drainage Taxes as set forth in the Resolution.

(iv) The Issuer has not been advised, nor is it aware that it is in breach of, or in default under any applicable constitutional provision, law or administrative regulation of the State of Florida or the United States, or any agency or department of either, or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Issuer is a party or to which the Issuer or any of its properties or other assets is otherwise subject, and to the Issuer's knowledge no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or event of default under any such above listed instruments, in any such case to the extent that the same would have a material and adverse effect upon the Issuer Documents, this Bond Purchase Agreement, or the Series 2024 Bonds and the Issuer's receipts of the Drainage Taxes in the amount contemplated by the Limited Offering Memorandum; and the execution and delivery of the Series 2024 Bonds, the Issuer Documents and this Bond Purchase Agreement and the adoption of the Resolution, and compliance with the provisions on the Issuer's part contained in each, will not to its knowledge conflict with or constitute a material breach of, or default under any State of Florida or a federal, constitutional provision, law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Issuer is a party or to which the Issuer or any of its properties or other assets is otherwise subject, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the properties or the assets of the Issuer under the terms of any such law, regulation or instrument, except as provided or permitted by the Series 2024 Bonds and the Resolution.

(v) The Issuer has not previously issued any debt obligations and, accordingly, is not and has not been in default at any time after December 31, 1975, as to the payment of principal or interest with respect to an obligation issued or guaranteed by the Issuer.

(vi) All approvals, consents and orders of the State of Florida or federal or other governmental authority, legislative body, board, agency or commission having jurisdiction which would constitute a condition precedent to or the absence of which would materially adversely affect the financial condition of the Issuer or the due performance by the Issuer of its obligations under this Bond Purchase Agreement, the Issuer Documents, and the Series 2024 Bonds that the Issuer is required to obtain have been, or prior to the Closing will have been, to the best of its knowledge, duly obtained, except for such approvals, consents and orders as may be required under the Blue Sky or

securities laws of any state in connection with the offering and sale of the Series 2024 Bonds or approvals, consents and orders: (i) described in the Limited Offering Memorandum as not having been obtained, or (ii) customarily granted in due course after application therefor and expected to be obtained without material difficulty or delay.

(vii) The Series 2024 Bonds, when issued, authenticated and delivered in accordance with the Resolution, sold to and paid for by the Underwriter as provided herein and in accordance with the provisions of the Resolution, will be legal, valid and binding obligations of the Issuer, enforceable in accordance with their terms and the terms of the Resolution (subject to and limited by bankruptcy, insolvency, reorganization, moratorium, and similar laws in each case relating to or affecting the enforcement of creditor's rights generally, and other general principles of equity), and the Resolution will provide, for the benefit of the holders from time to time of the Series 2024 Bonds, a legally valid and binding pledge of and lien on the Trust Estate, subject to the limitations of the Resolution and the provisions of the Resolution permitting the application thereof for the purposes and on the terms and conditions set forth therein.

(viii) The Issuer has reviewed the information in the Preliminary Limited Offering Memorandum, except for the information provided by The Depository Trust Company ("DTC"), the contents under the captions "THE LANDOWNER AND DEVELOPER," "ATLANTIC FIELDS," "LITIGATION - The Landowner," and any information pertaining to the Landowner, Developer or Atlantic Fields in Appendix C, as to which no view is expressed (the "Excluded Provisions"). Except with respect to the Excluded Provisions, as to which no view is expressed, the Preliminary Limited Offering Memorandum was, as of the date thereof, and the Limited Offering Memorandum, is and at all times subsequent hereto up to and including the date of the Closing will be, to the best knowledge of the Issuer, true and correct in all material respects and does not contain any untrue statement of a material fact or omit to state a material fact which is necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. In addition, any amendments or supplements to the Limited Offering Memorandum prepared and furnished by the Issuer pursuant hereto will not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(ix) The Series 2024 Bonds and the Issuer Documents conform in all material respects to the descriptions thereof contained in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum.

(x) The Issuer had and has good and lawful authority to construct, manage and operate the Series 2024 Project and other facilities to be constructed or acquired, as the case may be, with the proceeds of the Series 2024 Bonds as described in the Certificate of District Engineer dated January 24, 2024, to convey title to certain of such facilities to other governmental entities for their management and operation, and to establish, levy

(without the consent or approval of any agency or administrative body other than the Board, subject to judicial process) and, pursuant to Chapter 197, Florida Statutes, collect the Drainage Taxes and to perform all of its obligations under the Resolution and the Tax Resolution.

(xi) Except as disclosed in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum, from the time of the Issuer's execution of this Bond Purchase Agreement through the date of Closing, the Issuer will not incur any material liabilities, direct or contingent, or enter into any transaction which is material to potential holders of the Series 2024 Bonds, in each case other than in the ordinary course of its business or in the normal operation and construction of the Project, there shall not have been any material adverse change in the condition, financial or otherwise, of the Issuer or its properties or other assets and there have been no material adverse change in the collection of the Drainage Taxes, except as disclosed in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum.

(xii) Except as disclosed in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum, the Issuer has not been notified nor is it aware of any action, suit, proceeding, inquiry or investigation, at law or in equity before or by any court, government agency or public board or body, pending or, to the best knowledge of the Issuer, threatened, against or affecting the Issuer or the titles of its officers to their respective offices, or which may affect or which seeks to prohibit, restrain or enjoin the sale, issuance or delivery of the Series 2024 Bonds or the collection of the Drainage Taxes pledged to pay the principal of and interest on the Series 2024 Bonds, or which in any way contests or affects the validity or enforceability of the Series 2024 Bonds, the Issuer Documents or any of them, or which may result in any material adverse change in the business, properties, other assets or financial condition of the Issuer or which contests the tax-exempt status of the interest on the Series 2024 Bonds as described in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum, or which contests the power of the Issuer or any authority or proceedings for the issuance, sale or delivery of the Series 2024 Bonds or this Bond Purchase Agreement or asserting that the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum contains any untrue statement of a material fact or omits any material fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading; or which involves the possibility that a judgment or liability, not fully covered by insurance or adequate established reserves, may be entered or imposed against the Issuer, nor, to the best knowledge of the Issuer, is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Series 2024 Bonds, the Issuer Documents, or this Bond Purchase Agreement.

(xiii) The Issuer will furnish such information, execute such instruments and at no expense to itself take such other action (excluding administrative hearings or litigation proceedings) not inconsistent with law in cooperation with the Underwriter as the

Underwriter may reasonably request in order (i) to qualify the Series 2024 Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriter may designate, and/or (ii) to determine the eligibility of the Series 2024 Bonds for investment under the laws of such states and other jurisdictions, and will use its best efforts to continue such qualifications in effect so long as required for the distribution of the Series 2024 Bonds; provided that the Issuer shall not be obligated to take any action that would subject it to the general service of process in any state where it is not now so subject or require it to qualify to do business and any expense related to the foregoing shall be borne by the Underwriter.

(xix) The Issuer will advise the Underwriter promptly of any proposal by the Issuer to amend or supplement the Limited Offering Memorandum and will not effect any such amendment or supplement without the consent of the Underwriter which consent shall not be unreasonably withheld. The Issuer will advise the Underwriter promptly of the institution of any proceedings known to it by any governmental agency prohibiting or otherwise affecting the use of the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum in connection with the offering, sale or distribution of the Series 2024 Bonds.

(xx) Other than as disclosed in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum, the Issuer has not in the past five calendar years failed to comply in any material respect with any agreement to provide continuing disclosure information pursuant to the Rule.

(xxi) The Issuer has the authority to undertake the Project.

(xxii) The financial statements and other historical financial and statistical data relating to the Issuer included in the Limited Offering Memorandum are true and correct representations thereof as of the date of such information.

(xxiii) No default under the Resolution or the Tax Resolution has occurred and is continuing, and the Issuer is not in breach of the covenants and obligations assumed by it under the Resolution or the Tax Resolution, and all payments required to be made in the funds and accounts provided under the Resolution, if any, that are currently required to be paid as of the Issuer's execution of this Bond Purchase Agreement have been paid to the full extent required.

5(b). Landowner Representations, Warranties, Covenants and Agreements.

(i) The Landowner acknowledges that it has requested the Issuer to issue the Series 2024 Bonds, and that the Issuer has agreed to sell the Series 2024 Bonds to the Underwriter pursuant to this Bond Purchase Agreement.

(ii) The Landowner acknowledges that in order for the Issuer to sell the Series 2024 Bonds and for the Underwriter to purchase the Series 2024 Bonds, the Series 2024

Bonds will be offered for sale pursuant to the Preliminary Limited Offering Memorandum and the final Limited Offering Memorandum.

(iii) The Landowner certifies that it has reviewed and approved the information contained in the Preliminary Limited Offering Memorandum under the captions "THE LANDOWNER AND DEVELOPER," "ATLANTIC FIELDS," "LITIGATION - The Landowner" and in Appendix C. Such information is and at all times subsequent hereto up to and including the date of the Closing will be, true and correct in all material respects and does not contain any untrue statement of a material fact or omit to state a material fact which is necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. In addition, any amendatory or supplemental information provided by the Landowner pursuant to Section 2(d) hereof will not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. The Landowner expresses no view, opinion, or representation as to any provision of the Preliminary Limited Offering Memorandum other than the specific sections thereof referenced above in this Section 5(b)(iii), and the Landowner will not express any view, opinion, or representation as to any provision of the final Limited Offering Memorandum other than those specific sections.

(iv) Other than as disclosed in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum, the Landowner has not in the past five calendar years failed to comply with any agreement to provide continuing disclosure information pursuant to the Rule.

(v) The Landowner has reviewed those additional representations and warranties included in that certain "Certificate of the Landowner", a form of which is attached hereto as Exhibit E, (the "Certificate") and agrees and acknowledges that such representations and warranties that are included therein are a condition to Closing on the Series 2024 Bonds and that the Landowner will execute and deliver such Certificate at Closing, which Certificate shall be dated as of the date of Closing.

6. Closing. At 10:00 a.m., New York time, on the date of Closing, or at such other time or date to which the Issuer and the Underwriter may mutually agree, the Issuer will, subject to the terms and conditions hereof, deliver the Series 2024 Bonds in book-entry form to the account of the Underwriter, at the facilities of DTC in New York, New York, or an agent thereof, or such other location as determined by the Underwriter and agreed to by the Issuer, duly executed, together with the other documents hereinafter mentioned, and, subject to the terms and conditions hereof, the Underwriter will accept such delivery and pay the Purchase Price of the Series 2024 Bonds as set forth in Paragraph 1 hereof in federal funds to the Issuer. The Series 2024 Bonds are to be delivered and accepted pursuant to the "FAST" system. The Issuer shall cause CUSIP identification numbers to be printed on the Series 2024 Bonds, but neither the failure to print such number on any Series 2024 Bond nor any error with respect thereto shall constitute

cause for a failure or refusal by the Underwriter to accept delivery of and pay for the Series 2024 Bonds in accordance with the terms of this Bond Purchase Agreement. The Closing shall occur at the office of the Issuer, or such other place to which the Issuer and the Underwriter shall have mutually agreed. The Series 2024 Bonds shall be made available to the Underwriter no less than 24 hours before the Closing for purposes of inspecting and packaging. The Series 2024 Bonds shall be prepared and delivered as fully registered Series 2024 Bonds in fully registered, definitive form, in authorized denominations, duly executed and authenticated, as provided in the Resolution.

7. Closing Conditions. The Underwriter has entered into this Bond Purchase Agreement in reliance upon the representations, warranties, covenants and agreements of the Issuer and the Landowner contained herein and in reliance upon the representations, warranties, covenants and agreements to be contained in the documents and instruments to be delivered at the Closing (inclusive of those certain certificates to be delivered at Closing, forms of which are attached hereto as exhibits) and upon the performance by the Issuer and the Landowner of their respective obligations hereunder, both as of the date hereof and as of the date of the Closing. The Issuer's obligation under this Bond Purchase Agreement to sell and deliver the Series 2024 Bonds to the Underwriter shall be conditioned upon the performance by the Landowner and the Underwriter of their respective obligations to be performed hereunder and the Underwriter's obligations under this Bond Purchase Agreement to purchase, to accept delivery of and to pay the Purchase Price for the Series 2024 Bonds shall be conditioned upon the performance by the Issuer and the Landowner of their respective obligations to be performed hereunder, and under such documents and instruments at or prior to the Closing, and shall also be subject to the additional conditions identified below:

(a) The representations, warranties, covenants and agreements of the Issuer and the Landowner contained herein and in any certificates to be delivered by either of them at Closing shall, to the best of their knowledge, be true, complete and correct on the date hereof and on and as of the date of the Closing, as if made on the date of the Closing;

(b) At the time of Closing, the Issuer Documents and this Bond Purchase Agreement shall be in full force and effect and shall not have been amended, modified or supplemented since the date hereof, and the Limited Offering Memorandum as delivered to the Underwriter shall not have been supplemented or amended, except in any such case as may have been approved by the Underwriter;

(c) At the time of the Closing, all official action formerly taken by the Issuer relating to this Bond Purchase Agreement, the Series 2024 Bonds and the Issuer Documents shall be in full force and effect and shall not have been amended, modified or supplemented, except for amendments, modifications or supplements which have been approved by the Issuer and Underwriter prior to the Closing;

(d) At the time of the Closing, except as contemplated by the Limited Offering Memorandum, there shall have been no material adverse change in the financial condition of the Issuer;

(e) At or prior to the Closing, the Underwriter shall have received copies of each of the following documents:

(1) An approving opinion dated the date of Closing of Bond Counsel, in the form included as Appendix “F” to the Preliminary Limited Offering Memorandum;

(2) An opinion of Bond Counsel addressed to the Issuer and the Underwriter, substantially in the form attached hereto as Exhibit D;

(3) The opinion of Caldwell Pacetti Edwards Schoech & Viator LLP, West Palm Beach, Florida, general counsel to the Issuer, addressed to the Issuer, the Underwriter, the Trustee, and Bond Counsel, dated the date of Closing (but subject to the disclosures in and the provisions of the Limited Offering Memorandum and the understanding that no opinion will be issued or, if issued, apply as to the legality, impact, effect, execution of agreements or documents, or compliance by the Issuer or the Underwriter with the Internal Revenue Code of 1986, as amended, the Securities Act of 1933, as amended, the Securities Act of 1934, as amended, the Trust Indenture act of 1939, as amended, or any federal or state security laws, rules or regulations, including Blue Sky laws, or any Florida income, corporate and/or intangible tax laws, as may pertain to the Series 2024 Bonds or documents related thereto, of Florida laws relating to the tax status of the Series 2024 Bonds) to the effect that to the best of its knowledge and belief and under existing State law and its legal interpretations thereof:

(i) The Issuer is a water control district duly organized and validly existing under the constitution and laws of the State of Florida, including particularly the Act;

(ii) Unit of Development No. 1A is a Unit of Development of the Issuer, duly organized and existing under the Act;

(iii) The Issuer has all requisite power and authority (a) to levy and collect the “Drainage Taxes,” as defined in the Resolution, (b) assuming that interest on the Series 2024 Bonds is intended at the time of Closing to be excluded from gross income for federal income tax purposes (to which no opinion will be expressed), to issue, sell, and deliver the Series 2024 Bonds, (c) to enter into the Issuer Documents, this Bond Purchase Agreement and any other contract, document, or certificate requested and reasonably needed in order to deliver the Series 2024 Bonds, (d) to adopt the Resolution and the Tax Resolution; and (e) to carry out, where applicable, the transactions specified to be carried out by the Issuer in the Issuer Documents and this Bond Purchase Agreement, and to undertake the implementation, acquisition and/or construction of the Series 2024

Project (which is part of the Project) as such Project is described in the Plan of Improvements, as amended;

(iv) Under the Constitution and laws of the State of Florida, including particularly the Act, the Issuer Documents, this Bond Purchase Agreement, and such other agreements and documents that may be reasonably required to be executed, delivered or received prior to Closing by the Issuer (excluding post-closing filings) in order to carry out, give effect to and consummate the transactions contemplated by the Issuer Documents and this Bond Purchase Agreement have been authorized by all necessary action, if any, on the part of the Issuer and such action, if any, remains in full force and effect, such specified agreements and documents have been executed and delivered by the Issuer, and, assuming that they are the respective legal, valid, binding and enforceable obligations of the party or parties thereto other than the Issuer, they are legal, valid, binding and enforceable obligations of the Issuer, except that the enforceability thereof may be subject to (a) the exercise of judicial discretion in accordance with general principles of equity, and (b) bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable;

(v) The Series 2024 Bonds (a) have been authorized and executed by the Issuer and, in reliance upon the Trustee's execution of a receipt for same, have been delivered to the Trustee for authentication, (b) are legal, valid, binding and special and limited obligations of the Issuer, enforceable in accordance with their respective terms, except that the enforceability thereof may be subject to (i) the exercise of judicial discretion in accordance with general principles of equity, and (ii) bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights theretofore or hereafter enacted to the extent constitutionally applicable; and (c) are entitled to the benefits and security of the Resolution and the Trustee Agreement;

(vi) The Issuer has duly authorized the distribution and delivery of the Preliminary Limited Offering Memorandum and the distribution, execution and delivery of the Limited Offering Memorandum;

(vii) The Issuer has complied on its part with the provisions of the Constitution and laws of the State of Florida, including the Act, required or necessary for the issuance and sale of the Series 2024 Bonds, and has properly adopted the Resolution and the Tax Resolution, and the Resolution and the Tax Resolution are in full force and effect on the date of Closing. Further, all proceedings taken by the Issuer with respect to the Drainage Taxes have been in accordance with applicable Florida law, and the Issuer has full legal authority to allocate, levy, collect and enforce the Drainage Taxes as set forth in the Limited

Offering Memorandum. As of the date of closing on the Series 2024 Bonds, all proceedings undertaken by the Issuer with respect to the Drainage Taxes have not been amended or repealed and are in full force and effect and the Drainage Taxes, as levied, and once perfected, are legal, valid, and binding first liens upon all of the property against which such Drainage Taxes are made, superior in dignity to all other liens, titles and claims against said property now existing or hereinafter created, until paid (except governmental taxes and assessments, as to which the Drainage Taxes are co-equal).

(viii) The issuance of the Series 2024 Bonds and sale of the Series 2024 Bonds at Closing to the Underwriter, the adoption of the Issuer Documents and the Issuer's execution and delivery of the Issuer Documents and this Bond Purchase Agreement and the compliance by the Issuer with the terms applicable to it as contained therein and in the Series 2024 Bonds will not, as of the date of Closing, knowingly conflict with, or result in any breach of any of the provisions of, or constitute a default on its part under any State of Florida constitutional provision or statute, agreement, resolution or other instrument to which the Issuer is a party or by which it or its property is bound, or any license, judgment, judicial decree, court order, order, law or statute of the State of Florida or a State of Florida governmental rule or regulation then applicable to the Issuer which would result in the creation or imposition of any lien, charge, encumbrance or security interest on the Trust Estate (as defined in the Resolution, other than as authorized by the Resolution) as of the date of such issuance or sale;

(ix) All consents, approvals or authorizations, if any, of any Florida governmental authority required to be received or obtained by the Issuer in connection with its adoption, execution, and delivery of the Issuer Documents, this Bond Purchase Agreement and construction and/or acquisition of the Project, as the case may be, the offer, issue, sale or delivery of the Series 2024 Bonds and the consummation by it of the transactions specified therein or by the Limited Offering Memorandum have been obtained, and the Issuer has complied with all applicable provisions of Florida law (except for any pre or post-closing filings to be made with the State of Florida or with the United States Government or for such approvals, consents and orders as may be required under the Blue Sky or securities laws of any state in connection with the offering and sale of the Series 2024 Bonds or approvals, consents and orders: (i) described in the Limited Offering Memorandum as not having been obtained, or (ii) customarily granted in due course after application therefor and expected to be obtained without material difficulty or delay) requiring any designation, declaration, filing, registration and/or qualification with any Florida governmental authority in connection with the foregoing documents in this paragraph and the Issuer's offer, sale, execution or delivery of the Series 2024 Bonds;

(x) Except for the lien created by the Resolution, the Issuer has not created, or permitted to be created, any lien, pledge, charge, encumbrance or security interest in the Trust Estate, as defined in the Resolution;

(xi) After due inquiry with respect thereof, and except as disclosed in the Limited Offering Memorandum, no litigation is pending in the Circuit Court of the Nineteenth Judicial Circuit in and for Martin County, Florida or in the United States District Court for the Southern District of Florida, or, to the best of our knowledge, no other litigation or other proceedings are pending or threatened in any court or other tribunal of competent jurisdiction, state or federal, in any way (i) in any way affecting the existence of the Issuer or in any way challenging the respective powers of the several offices of the officials of the Issuer or the titles of said officials holding their respective offices; or (ii) seeking to restrain or enjoin the issuance or delivery of any of the Series 2024 Bonds, or the collection of the Drainage Taxes pledged or to be pledged to pay the principal of, premium, if any, and interest on the Series 2024 Bonds or in any way contesting or affecting the validity or enforceability of this Bond Purchase Agreement, the Issuer Documents, or the Series 2024 Bonds, or contesting in any way the completeness or accuracy of the Limited Offering Memorandum, or contesting the powers of the Issuer or its authority with respect to this Bond Purchase Agreement, the Issuer Documents or the Series 2024 Bonds; (iii) questioning or affecting the validity of any of the proceedings by the Issuer relating to the authorization, sale, execution, issuance or delivery of the Series 2024 Bonds; or (iv) in which a final adverse decision would materially affect in any adverse manner the ability of the Issuer to issue the Series 2024 Bonds or declare this Bond Purchase Agreement, the Issuer Documents or the Series 2024 Bonds to be invalid and unenforceable in whole or in material part;

(xii) Based upon the limited participation of said general counsel of the Issuer in the preparation of the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum, and without undertaking to determine independently the accuracy or completeness or fairness of the contents thereof or statements therein, nothing has come to its attention which leads it to believe that the Preliminary Limited Offering Memorandum contained or that the Limited Offering Memorandum contains any untrue statement of a material fact or omitted or omits to state a material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading; provided that no opinion need be expressed about the statements or information in the Preliminary Limited Offering Memorandum or Limited Offering Memorandum under the captions **“BOOK- ENTRY ONLY SYSTEM,” “SCHEDULE OF DEBT SERVICE REQUIREMENTS, “THE LANDOWNER AND DEVELOPER,” “ATLANTIC FIELDS,” “LITIGATION - The Landowner,” “TAX MATTERS,” “FINANCIAL STATEMENTS,” and “UNDERWRITING”** or Appendices B, C, D, E, F, or G thereto; furthermore, the information in the Preliminary Limited Offering Memorandum and the Limited Offering

Memorandum under the captions **“SECURITY FOR THE SERIES 2024 BONDS – Assessment of Benefits and Levy of Drainage Taxes,” “SECURITY FOR THE SERIES 2024 BONDS - Tax Collection Procedures” “THE DISTRICT,” and “LITIGATION – The District”** insofar as they purport to summarize the matters described therein, constitute, unless subsequently amended or supplemented as authorized in the Bond Purchase Agreement, a fair and accurate summary thereof as of the date of the Preliminary Limited Offering Memorandum, the date of the Limited Offering Memorandum and the date of said General Counsel’s opinion, respectively; and

(xiii) All prior Board of Supervisor approved actions taken by the Issuer in connection with the Issuer Documents, this Bond Purchase Agreement, the Preliminary Limited Offering Memorandum, the Limited Offering Memorandum and the Series 2024 Bonds are legal and valid in all respects as of the date of Closing and legal under existing State of Florida law, and none of the proceedings had or actions taken by it with respect to any of the foregoing listed instruments have been repealed, revoked or rescinded.

(4) [Reserved];

(5) A certificate dated the date of Closing and signed by the President or Vice President and authorized representative of the District’s Manager of the Issuer, or such other official satisfactory to the Underwriter, and in form and substance satisfactory to the Underwriter, to the effect that to the best of their knowledge, after due inquiry and in reliance upon the representations and opinions of its general counsel and bond counsel (A) the representations and warranties of the Issuer contained herein are true and correct in all material respects as of the date of Closing, the Issuer has satisfied all conditions on its part required to be performed or satisfied prior to Closing, and the Limited Offering Memorandum did not as of its date, and does not as of the date of Closing, contain any untrue statement of a material fact or omit to state a material fact which should be included therein for the purposes for which the Limited Offering Memorandum is to be used, or which is necessary in order to make the statements contained therein, in light of the circumstances in which they were made not misleading (provided, that no opinion is hereby expressed regarding the information contained therein relating to the DTC and its book-entry system or under the Excluded Provisions; (B) no event affecting the Issuer has occurred since the date of the Limited Offering Memorandum which should be disclosed in the Limited Offering Memorandum for the purposes for which it is to be used or which is required to be disclosed therein in order to make the statements and information therein not misleading in any material respect as of the date of Closing; (C) the Resolution of the Issuer authorizing the execution, delivery and/or performance by the Issuer as set forth in the Limited Offering Memorandum, the Series 2024 Bonds and all Issuer Documents have been duly adopted by the Issuer, are in full force and effect and have not been modified, amended or repealed; (D) this Bond Purchase Agreement and the Issuer Documents have been adopted or entered into, as the case may be, by the Issuer and assuming that they

are the respective legal, valid, binding and enforceable obligations of the other party or parties thereto, if any, other than the Issuer, are in full force and effect, and (E) the Issuer is unaware of any hazardous environmental contaminants prohibited by State or federal law which adversely affect the land within Unit 1A in a material fashion, except as disclosed in the Limited Offering Memorandum;

(6) A Tax Certificate (a/k/a arbitrage certificate) in compliance with the Internal Revenue Code of 1986, as amended, dated the date of Closing, signed by the President or Vice President of the Issuer along with a duly executed IRS Form 8038-G;

(7) A copy of all resolutions with respect to the Series 2024 Bonds (including the Resolution and the Tax Resolution), as adopted by the Issuer, duly certified by the Secretary or Assistant Secretary of the Issuer as of the date of Closing;

(8) Executed copies of the Issuer Documents in form approved by the Issuer with only such changes as are satisfactory to the Underwriter;

(9) A certificate of the Landowner, dated as of the date of Closing, in the form attached hereto as Exhibit E;

(10) A certificate of an authorized representative of The Bank of New York Mellon Trust Company, N.A., (the "Bank"), as Trustee under the Resolution to the effect that (A) the Bank is a national banking association duly organized, validly existing and in good standing under the laws of the United States of America and is duly authorized to exercise trust powers in the State of Florida, (B) the Bank has all requisite authority, power, licenses, permits and franchises, and has full corporate power and authority to execute and perform its functions under the Resolution and the Trustee Agreement, (C) the performance by the Bank of its functions under the Resolution will not result in any violation of (i) the Articles of Association or Bylaws of the Bank, or (ii) to the knowledge of the undersigned authorized representative any court order to which the Bank is subject or any agreement, indenture or other obligation or instrument to which the Bank is a party or by which the Bank is bound, (D) to the knowledge of the undersigned authorized representative no approval or other action by any governmental authority or agency having supervisory authority over the Bank is required to be obtained by the Bank in order to perform its functions under the Resolution, (E) there is no action, suit, proceeding or investigation at law or in equity before any court, public board or body pending or, to the knowledge of the undersigned representative, threatened against or affecting the Bank wherein an unfavorable decision, ruling or finding on an issue raised by any party thereto is likely to materially and adversely affect the ability of the Bank to perform its obligations under the Resolution and Trustee Agreement and (F) the Series 2024 Bonds have been authenticated in accordance with the terms of the Resolution;

(11) Certificate of the Issuer deeming the Preliminary Limited Offering Memorandum "final" as of its date for purpose of the Rule, except for "permitted

omissions;”

(12) One copy of the Report of Engineer, as amended, and Plan of Improvements, as amended, for Unit 1A along with a certificate from the District’s Engineer in the form attached hereto as Exhibit E;

(13) Opinion of counsel to the Landowner in the form attached hereto as Exhibit G;

(14) A continuing disclosure agreement between Special District Services, Inc., as Dissemination Agent and the Landowner substantially in the form attached as Appendix G to the Limited Offering Memorandum;

(15) A final judgment in connection with the validation of the Series 2024 Bonds and a no appeal certificate of the relevant circuit court;

(16) Such additional legal opinions, certificates, instruments and other documents as the Underwriter may timely and reasonably request.

All of the evidence, opinions, letters, certificates, instruments and other documents mentioned above or elsewhere in this Bond Purchase Agreement shall be deemed to be in compliance with the provisions hereof if, but only if, they are in form and substance reasonably satisfactory to the Underwriter with such exceptions and modifications as shall be approved by the Underwriter (such approval not to be unreasonably conditioned, withheld or delayed) and as shall not in the reasonable opinion of the Underwriter materially impair the investment quality of the Series 2024 Bonds.

If the Issuer or the Landowner shall be unable to satisfy the conditions to the obligations of the Underwriter to purchase, to accept delivery of and to pay for the Series 2024 Bonds contained in this Bond Purchase Agreement, or if the obligations of the Underwriter to purchase, to accept delivery of and to pay for the Series 2024 Bonds shall be terminated for any reason permitted by this Bond Purchase Agreement, this Bond Purchase Agreement shall terminate with respect to such Series 2024 Bonds subject to termination and neither the Underwriter, the Landowner, nor the Issuer shall be under any further obligation hereunder with respect thereto, except that the respective obligations of the Landowner set forth in paragraph 9 titled “Expenses” hereof shall continue in full force and effect and the obligations of the Issuer and the Underwriter set forth in Paragraph 9 titled “Expenses” hereof shall continue in full force and effect.

8. Termination. The Underwriter may terminate this Bond Purchase Agreement, without liability therefor, by notification to the Issuer, if at any time subsequent to the date of this Bond Purchase Agreement but only until at or prior to Closing:

(a) Legislation shall be enacted by or new legislation shall be introduced in the Congress of the United States or adopted by either House thereof or a decision by a court of the United States or the Tax Court of the United States shall be rendered or a ruling, regulation or

official statement by or on behalf of the Treasury Department of the United States, the Internal Revenue Service or other governmental agency which would have the effect of changing, directly or indirectly, the federal income tax consequences of receipt of interest on securities of the general character of the Series 2024 Bonds in the hands of the holders thereof, which in the reasonable opinion of the Underwriter would materially adversely affect the market price of the Series 2024 Bonds;

(b) Legislation shall be enacted or any action shall be taken by the Securities and Exchange Commission which, in the reasonable opinion of legal Counsel to the Underwriter, has the effect of requiring the contemplated issuance or distribution of the Series 2024 Bonds to be registered under the Securities Act of 1933, as amended, or of requiring the Resolution to be qualified under the Trust Indenture Act of 1939, as amended;

(c) The United States shall become engaged in hostilities that have resulted in a declaration of war or a national emergency or any conflict involving the armed forces of the United States shall have occurred which, in the reasonable opinion of the Underwriter, materially adversely affects the market price of the Series 2024 Bonds;

(d) There shall be in force a general suspension of trading on the New York Stock Exchange as the result of an event affecting the national economy which, in the reasonable judgment of the Underwriter, materially adversely affects the market for the Series 2024 Bonds or the sale, at the contemplated offering prices, by the Underwriter of the Series 2024 Bonds to be purchased by them;

(e) A general banking moratorium shall have been established by federal, New York or Florida governmental authorities which in the reasonable judgment of the Underwriter materially adversely affects the market for the Series 2024 Bonds, or the sale at the contemplated offering prices, by the Underwriter of the Series 2024 Bonds to be purchased by them;

(f) An order, decree or injunction of any court of competent jurisdiction, or any other ruling, regulation or administrative proceeding by any governmental body or board, shall have been issued or commenced, or any legislation enacted, with the purpose or effect of prohibiting the issuance, offering or sale of the Series 2024 Bonds as contemplated hereby or by the Limited Offering Memorandum or prohibiting the adoption or performance of the Resolution and/or the Tax Resolution;

(g) The President of the United States, the Office of Management and Budget, the Department of Treasury, the Internal Revenue Service or any other governmental body, department, agency or commission of the United States, the State of Florida or the State of New York shall take or propose to take any action or implement or propose regulations, rules or legislation which, in the reasonable judgment of the Underwriter, materially adversely affects the market price of the Series 2024 Bonds or causes any information in the Limited Offering Memorandum, as then amended and supplemented, in light of the circumstances under which it appears, to be misleading in any material respect as then amended and supplemented;

(h) Any executive order shall be announced, or any legislation, ordinance, rule or regulation shall be proposed by or introduced in, or be enacted by any governmental body, department, agency or commission of the United States, the State of Florida or the State of New York, having jurisdiction over the subject matter, or a decision by any court of competent jurisdiction within the United States, within the State of Florida or the State of New York shall be rendered which, in the reasonable opinion of the Underwriter, materially adversely affects the market price of the Series 2024 Bonds or causes any information in the Limited Offering Memorandum, as then amended and supplemented, in light of the circumstances under which it appears, to be misleading in any material respect as then amended and supplemented;

(i) Any event shall have occurred or shall exist which, in the reasonable opinion of the Underwriter, would cause the information contained in the Limited Offering Memorandum, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading as of such time and which would materially adversely affect the marketability of the Series 2024 Bonds;

(j) There shall have been any materially adverse change in the financial condition of the Issuer that is not contemplated in the Limited Offering Memorandum, as then amended and supplemented, which in the reasonable opinion of the Underwriter, materially and adversely affects the market price or marketability of the Series 2024 Bonds;

(k) The marketability of the Series 2024 Bonds or the market price thereof, in the reasonable opinion of the Underwriter, has been materially and adversely affected by disruptive events, occurrence or conditions in the securities or debt markets; or

(l) There shall have occurred or any notice shall have been given of any intended downgrading, suspension, withdrawal or negative change in credit watch status by any national rating service to any of the Issuer's financial obligations.

9. Expenses. The Underwriter shall be under no obligation to pay, and the Issuer shall pay, any expenses incident to the performance of the obligations of the Issuer hereunder including, but not limited to: (a) the cost of preparation, printing or other reproduction of the Resolution and Tax Resolution; (b) the cost of preparation and printing of the Series 2024 Bonds; (c) the fees and disbursements of Bond Counsel and its General Counsel; (d) the fees and disbursements of a municipal advisor to the Issuer, if any; (e) the fees and disbursements of any experts, consultants or advisors retained by the Issuer, including fees of the Trustee and the auditor of the Issuer; and (f) the costs of preparing, printing and delivering to the Underwriter a reasonable number of copies of the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum and any supplements or amendments to either of them.

The Underwriter shall pay: (a) all advertising expenses in connection with the limited public offering of the Series 2024 Bonds; and, (b) all other expenses incurred by them or any of them in connection with the limited public offering of the Series 2024 Bonds, including the fees

and disbursements of counsel retained by it, including the costs of all “blue sky” memoranda and related filing fees. In the event that the Underwriter or Issuer shall have paid obligations of the other as set forth herein, adjustment shall be made at the time of the Closing.

The Landowner will pay all expenses that it incurs in connection with the issuance of the Series 2024 Bonds, including the preparation and delivery of the Continuing Disclosure Agreement, attorneys’ fees, and any other expenses.

10. Notices. Any notice or other communication to be given to the Issuer under this Bond Purchase Agreement may be given by delivering the same in writing at its address set forth above to the attention of its District Manager, any notice or other communication to be given to the Underwriter may be given by delivering the same in writing to the Underwriter, care of MBS Capital Markets, LLC, 152 Lincoln Avenue, Winter Park, Florida, Attn: Brett Sealy, and any notice to be given to the Landowner under this Bond Purchase Agreement may be given by delivering same in writing to Discovery Hobe Sound Investors, LLC, _____, Attn: _____.

11. Parties in Interest. This Bond Purchase Agreement is made solely for the benefit of the Issuer, the Landowner, and the Underwriter and no other party or person shall acquire or have any right hereunder or by virtue hereof. All representations, warranties, covenants and agreements in this Bond Purchase Agreement shall remain operative and in full force and effect, regardless of: (i) any investigations made by or on behalf of any of the Underwriter; (ii) the delivery of the Series 2024 Bonds pursuant to this Bond Purchase Agreement; or (iii) any termination of this Bond Purchase Agreement but only to the extent provided by Section 8 hereof.

12. Waiver. Notwithstanding any provision herein to the contrary, the performance of any and all obligations of the Issuer and the Landowner hereunder and the performance of any and all conditions contained herein for the benefit of the Underwriter may be waived by the Underwriter, in its sole discretion, and the approval of the Underwriter when required hereunder or the determination of their satisfaction as to any document referred to herein shall be in writing, signed by appropriate officer, officers or a Managing Director or Managing Partner of the Underwriter and delivered to the Issuer.

13. Effectiveness. This Bond Purchase Agreement shall become effective upon the execution of the acceptance hereof by the Issuer and the Landowner and shall be valid and enforceable at the time of such acceptance by a party in interest.

14. Counterparts. This Bond Purchase Agreement may be executed in several counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same document.

15. Headings. The headings of the sections of this Bond Purchase Agreement are inserted for convenience only and shall not be deemed to be a part hereof.

16. Arms-Length Transaction. The Issuer and Landowner acknowledge and agree that (i) the purchase and sale of the Series 2024 Bonds pursuant to this Bond Purchase Agreement is an arm's-length commercial transaction between the Issuer and the Underwriter; (ii) in connection with such transaction, including the process leading thereto, the Underwriter is acting solely as a principal and not as an agent or a fiduciary of the Issuer or the Landowner; (iii) the Underwriter has neither assumed an advisory or fiduciary responsibility in favor of the Issuer or the Landowner with respect to the offering of the Series 2024 Bonds or the process leading thereto (whether or not the Underwriter, or any affiliate of the Underwriter, has advised or is currently advising the Issuer or Landowner on other matters) nor has it assumed any other obligation to the Issuer or the Landowner except the obligations expressly set forth in this Bond Purchase Agreement, (iv) the Underwriter has financial and other interests that differ from those of the Issuer and the Landowner; and (v) the Issuer and Landowner has consulted with their respective legal and financial advisors to the extent they deemed it appropriate in connection with the offering of the Series 2024 Bonds.

The Issuer acknowledges receipt from MBS Capital Markets, LLC of a letter dated August 22, 2018 which was provided pursuant to Municipal Securities Rulemaking Board Rule G-17.

17. Indemnity Agreement. It is a condition precedent to the effectiveness of this Bond Purchase Agreement that the Landowner and the Issuer shall have entered into the Indemnity Agreement, dated of even date herewith, in the form attached hereto as Exhibit H and have provided a copy thereof to the Underwriter.

[Remainder of page intentionally left blank]

18. Florida Law Governs. The validity, interpretation and performance of this Bond Purchase Agreement shall be governed by the laws of the State of Florida with venue in Martin County, Florida.

Very truly yours,

MBS CAPITAL MARKETS, LLC

Brett Sealy, Managing Partner

ACCEPTANCE

ACCEPTED this ____ day of _____, 2024.

Accepted by:

HOBE-ST. LUCIE CONSERVANCY DISTRICT

Rich Melchiori, President, Board of Supervisors

ACCEPTANCE

ACCEPTED this ____ day of _____, 2024.

DISCOVERY HOBE SOUND INVESTORS, LLC

Name:

Title: Authorized Signatory

EXHIBIT A

**HOBE-ST. LUCIE CONSERVANCY DISTRICT
IMPROVEMENT BONDS,
UNIT OF DEVELOPMENT NO. 1A, SERIES 2024**

AMOUNTS, MATURITIES, INTEREST RATES, PRICES AND YIELDS

[To come]

REDEMPTION PROVISIONS

[To come]

EXHIBIT B

HOBE-ST. LUCIE CONSERVANCY DISTRICT IMPROVEMENT BONDS, UNIT OF DEVELOPMENT NO. 1A, SERIES 2024

DISCLOSURE STATEMENT

_____, 2024

Ladies and Gentlemen:

In connection with the proposed issuance by Hobe-St. Lucie Conservancy District (the “Issuer”) of the issue of bonds referred to above (the “Series 2024 Bonds”), MBS Capital Markets, LLC (the “Underwriter”), has agreed to underwrite a public offering of the Series 2024 Bonds. Arrangements for underwriting the Series 2024 Bonds will include a Bond Purchase Agreement among the Issuer, Landowner, and the Underwriter.

The purpose of this letter is to furnish, pursuant to the provisions of Sections 218.385(2), (3) and (6), Florida Statutes, certain information in respect to the arrangement contemplated for the underwriting of the Series 2024 Bonds as follows:

(a) The nature and estimated amount of expenses to be incurred by the Underwriter in connection with the issuance of the Series 2024 Bonds are set forth on Schedule I attached hereto.

(b) There are no “finders,” as that term is defined in Section 218.386, Florida Statutes, connected with the issuance of the Series 2024 Bonds.

(c) The amount of underwriting spread, including the management fee, expected to be realized is as follows:

	Per \$1,000	Dollar Amount
Management Fee:	\$	\$
Average Takedown:	\$	\$
Underwriter’s Expenses:	\$	\$
Total Underwriting Spread:	\$	\$

(d) No other fee, bonus or other compensation is estimated to be paid by the Underwriter in connection with the issuance of the Series 2024 Bonds to any person not regularly employed or retained by the Underwriter, except as described in Schedule I attached hereto.

(e) The names and addresses of the Underwriter is set forth below:

MBS Capital Markets, LLC
152 Lincoln Avenue
Winter Park, Florida 32789

(f) The Issuer is proposing to issue \$_____ of its Improvement Bonds, Unit of Development No. 1A, Series 2024 (the "Series 2024 Bonds"), for the purposes set forth in Section 1 of the Bond Purchase Agreement. The Series 2024 Bonds are expected to be repaid over a period of approximately _____ (____) years. At a net interest cost of approximately _____%, total interest paid over the life of the Series 2024 Bonds will be approximately \$_____.

The source of repayment or security for the Series 2024 Bonds are special non-ad valorem assessments referred to as "Drainage Taxes" which are to be imposed by the Issuer. Authorizing the Series 2024 Bonds will result in zero dollars (\$0) of Drainage Taxes not being available to finance other services of the Issuer, as the Drainage Taxes are legally required to be used only to pay the debt service on the Series 2024 Bonds and certain administrative expenses relating thereto. Based on the expectations set forth in the immediately preceding paragraph of this subparagraph (f), the issuance of the Series 2024 Bonds will require approximately \$_____ (representing the average annual debt service payments due on the Series 2024 Bonds) of revenues from Drainage Taxes on an annual basis.

[Remainder of page intentionally left blank]

We understand that the Issuer does not require any further disclosure from the Underwriter, pursuant to Sections 218.385(2), (3) and (6), Florida Statutes.

Very truly yours,

MBS CAPITAL MARKETS, LLC

Brett Sealy, Managing Partner

SCHEDULE I

ESTIMATED EXPENSES TO BE INCURRED BY UNDERWRITER

	Dollar Amount
Underwriter's Counsel	\$
Travel Expenses	
Communication	
Day Loan	
Clearance & Settlement Charges	
CUSIP / DTC	
Contingency	
Total	\$

EXHIBIT C

Issue Price Certificate

_____, 2024

The undersigned, as the underwriter (the “Underwriter”) of \$_____ in aggregate principal amount of Improvement Bonds, Unit of Development No. 1A, Series 2024 (the “Series 2024 Bonds”) being issued on this date by the Hobe-St. Lucie Conservancy District (the “Issuer”), hereby certifies as set forth below with respect to the sale and issuance of the Series 2024 Bonds. Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Bond Purchase Agreement dated as of the Sale Date (hereinafter defined) between the Issuer and the Underwriter.

1. Sale of the 10% Test Maturities. For each Maturity of the 10% Test Maturities, the first price at which at least 10% of such Maturity was sold to the Public as of the Sale Date is the respective price listed in Schedule I.

2. Initial Offering Price of the Hold-the-Offering-Price Maturities.

(a) The Underwriter offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Series 2024 Bonds is attached to this certificate as Schedule 1.

(b) As set forth in the Bond Purchase Agreement, the Underwriter has agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of the Series 2024 Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the-offering-price rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Series 2024 Bonds during the Holding Period.

3. Capitalized terms. Capitalized terms used in this Issue Price Certificate and not otherwise defined herein have the following meanings:

(a) “10% Test Maturities” means those Maturities of the Series 2024 Bonds listed in Schedule I hereto as the “10% Test Maturities.”

(b) “Hold-the-Offering-Price Maturities” means those Maturities of the Series 2024 Bonds listed in Schedule I hereto as the “Hold-the-Offering-Price Maturities.”

(c) “Holding Period” means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date ([____], 2024), or (ii) the date on which the Underwriter has sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

(d) “Maturity” or “Maturities” means Series 2024 Bonds with the same credit and payment terms. Series 2024 Bonds with different maturity dates, or Series 2024 Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(e) “Public” means any person (including an individual, trust, estate, partnership, association, company or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this Certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(f) “Sale Date” means the first day on which there is a binding contract in writing for the sale of a Maturity of the Series 2024 Bonds. The Sale Date of the Series 2024 Bonds is [____], 2024.

(g) “Underwriter” means (i) any person that agrees pursuant to a written contract with the City (or with a lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Series 2024 Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Series 2024 Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Series 2024 Bonds to the Public).

4. Affirmation. The Underwriter MBS affirms the representations made by it in Section 4 of the Bond Purchase Agreement.(

5. Matters Related to Yield. We have been advised by Holland & Knight LLP, Bond Counsel to the Issuer (“Bond Counsel”), that the yield on an issue of tax exempt bonds is that discount rate which produces the same present value on the date of issue of the bonds which when used in computing the present value of all payments of principal and interest to be made with respect to the issue of bonds equals the present value of the aggregate of the issue prices of the issue of bonds. The aggregate issue price of the Series 2024 Bonds is \$_____. The yield on the Series 2024 Bonds calculated in the manner described in this paragraph is _____. For the purposes hereof, yield has been calculated on a 360-day basis, assuming semi-annual compounding.

6. Matters Related to Weighted Average Maturity. We have been advised by Bond Counsel that the weighted average maturity of an issue of tax exempt bonds is the sum of the products of the issue price of each maturity which is a part of the issue and the years to maturity (determined separately for each maturity and by taking into account mandatory redemptions), divided by the issue price of the entire issue. Assuming that the initial offering prices are the issue prices of the Bonds and that the entire issue price of the Series 2024 Bonds is \$_____, the weighted average maturity of the Series 2024 Bonds is _____ years.

7. Series 2024 Reserve Account. The funding of the Series 2024 Reserve Account established under the Resolution in an amount equal to the Reserve Fund Requirement for the Series 2024 Bonds is necessary in order to market and sell the Series 2024 Bonds.

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Underwriter's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Series 2024 Bonds, and by Bond Counsel in connection with rendering its opinion that the interest on the Series 2024 Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Series 2024 Bonds.

MBS CAPITAL MARKETS, LLC

Brett Sealy, Managing Partner

Schedule I

Schedule II

Pricing Wire

EXHIBIT D

FORM OF SUPPLEMENTAL OPINION OF BOND COUNSEL

[____], 2024

Board of Supervisors
Hobe-St. Lucie Conservancy District
Martin County, Florida

MBS Capital Markets, LLC
Winter Park, Florida

Re: \$[____] Hobe-St. Lucie Conservancy District Improvement Bonds, Unit of
 Development No. 1A, Series 2024

Ladies and Gentlemen:

We have acted as Bond Counsel to Hobe-St. Lucie Conservancy District (the “Issuer”) in connection with the initial issuance and delivery on this date by the Issuer of its \$[____] Improvement Bonds, Unit of Development No. 1A, Series 2024 (the “Series 2024 Bonds”). All terms used herein in capitalized form and not otherwise defined herein shall have the same meanings as ascribed to them in the Bond Resolution (hereinafter defined).

The Series 2024 Bonds are issued pursuant to the authority of the Constitution and laws of the State of Florida, including particularly, Chapter 2005-339, Laws of Florida, as amended and supplemented from time to time, applicable provisions of Chapter 298, Florida Statutes, as amended, and other applicable law (collectively, the “Act”). The Series 2024 Bonds are further being issued pursuant to Resolution No. 2022-06 adopted by the Issuer on June 22, 2002, as amended and restated by Resolution No. 2023-05 adopted by the Issuer on October 25, 2023, and as further amended and restated by Amended and Restated Resolution No. 2024-04 adopted on March 27, 2024, as supplemented by Amended and Restated Resolution No. 2024-05 adopted on March 27, 2024 (collectively, the “Bond Resolution”).

In rendering the opinions set forth below, we have examined the Act, a certified copy of the Bond Resolution, the Trustee Agreement between the Issuer and the Trustee delivered on the date hereof (the “Trustee Agreement”), the Certificate Relating to Tax, Arbitrage and Other Matters (the “Tax Certificate”) of the Issuer delivered on the date hereof, the proceedings for validation in Case No. 23001184CAAAXMX in the Nineteenth Judicial Circuit Court in and for Martin County, Florida (the “Validation Proceedings”) and various other agreements, documents, instruments, certificates and opinions delivered in connection therewith, by or on behalf of the Issuer and others, including certified copies of proceedings of the Issuer relative to the issuance and delivery of the Series 2024 Bonds and forms of the Series 2024 Bonds as executed

and authenticated, and other information submitted to us relative to the issuance and delivery by the Issuer of the Series 2024 Bonds as we deem necessary to render the opinions set forth below.

The opinions expressed herein are supplemental to and are subject to all qualifications and limitations contained in, our bond counsel opinion rendered to the Issuer as of the date hereof pertaining to the Series 2024 Bonds.

Based on the foregoing, we are of the opinion that, as of the date hereof and under existing law, the Series 2024 Bonds are exempt from registration under the Securities Act of 1933, as amended, and the Bond Resolution is exempt from qualification under the Trust Indenture Act of 1939.

We have reviewed the statements contained in the Limited Offering Memorandum dated [____], 2024 relating to the Series 2024 Bonds (the “Limited Offering Memorandum”) under the captions “THE SERIES 2024 BONDS” (other than the information in the last paragraph thereof, as to which no opinion is expressed) and “SECURITY FOR THE SERIES 2024 BONDS—‘General,’ ‘Series 2024 Reserve Account for Series 2024 Bonds’ and ‘Additional Bonds’” and “CONTINUING DISCLOSURE—General,” insofar as such statements purport to summarize certain provisions of the Bond Resolution and the Series 2024 Bonds, constitute fair summaries of such provisions. We have also reviewed the information contained in the Limited Offering Memorandum under the section captioned “TAX MATTERS” and are of the opinion that the statements contained therein are accurate.

As Bond Counsel to the Issuer, other than as set forth in the immediately preceding paragraph, we express no opinion with respect to the accuracy, completeness, fairness or sufficiency of the Limited Offering Memorandum, nor do we express any opinion with respect to the statistical, demographic and financial data contained in the Limited Offering Memorandum, or in any appendices, exhibits or attachments to the Limited Offering Memorandum, or with respect to other offering material relating to the Series 2024 Bonds.

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 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.

Our opinions expressed herein are predicated upon current facts and circumstances, and upon present laws and interpretations thereof, and we assume no affirmative obligation to update the opinions expressed herein if such facts or circumstances, or laws or interpretations thereof, change after the date hereof, even if such changes come to our attention.

Our opinions expressed herein are rendered to you in connection with the Series 2024 Bonds. This is only an opinion letter and not a warranty or guaranty of the matters discussed herein. This letter is furnished by us solely for your benefit and may not be relied upon by any other persons. Except with respect to the Issuer, no attorney-client relationship has existed or exists between our firm and any other parties involved in the transaction related to the issuance of the Series 2024 Bonds or by virtue of this letter.

Respectfully submitted,

HOLLAND & KNIGHT LLP

EXHIBIT E

CERTIFICATE OF LANDOWNER

_____, 2024

MBS Capital Markets, LLC
Winter Park, Florida

Hobe-St. Lucie Conservancy District
Martin County, Florida

Re: Hobe-St. Lucie Conservancy District, \$_____ Improvement Bonds, Unit of
Development No. 1A, Series 2024 (the "Series 2024 Bonds")

The undersigned is a duly authorized representative of Discovery Hobe Sound Investors, LLC, a Delaware limited liability company (the "Landowner").

1. This Certificate is furnished pursuant to Section 7(e)(9) of the Bond Purchase Agreement (the "Bond Purchase Agreement") dated _____, 2024, among the Issuer, the Landowner and the Underwriter named therein relating to the sale of the above referenced Series 2024 Bonds. The following statements contained in this Certificate are given to the best of the Landowner's actual knowledge and belief as of the date hereof. Terms used herein in capitalized form and not otherwise defined herein shall have the meaning ascribed thereto in said Bond Purchase Agreement.

2. The Landowner has reviewed and approved the information contained in the Preliminary Limited Offering Memorandum dated _____, 2024, and the Limited Offering Memorandum dated _____, 2024, each relating to the Series 2024 Bonds, under the captions "THE LANDOWNER AND DEVELOPER," "ATLANTIC FIELDS," "LITIGATION - The Landowner," and in Appendix C (all of such information being referred to as the "Covered Information"), and all such Covered Information is, as of the date hereof and to the best of the Landowner's knowledge, true and correct in all material respects and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements, in light of the circumstances under which they were made, not misleading. The Landowner expresses no view, opinion, or representation as to any provisions of the Preliminary Limited Offering Memorandum or of the Limited Offering Memorandum other than as expressly set forth in the preceding sentence.

3. To the best knowledge of the Landowner, after due inquiry, there is no litigation threatened or pending against the Landowner which is reasonably expected to result in any adverse change in the business, properties, assets or financial condition of the Landowner which would cause the Covered Information to not be true and correct in all material respects or would cause it to contain any untrue statement of a material fact or to omit to state a material fact

necessary to make the Covered Information, in light of the circumstances under which it was made, not misleading.

4. As of the date hereof, there has been no material adverse change in the business, properties, assets or financial condition of the Landowner that would have a material and adverse impact on the value of the Development or the ability of the Landowner to develop such lands which has not been disclosed to the Underwriter.

5. The Landowner has consented to the levy of the Drainage Taxes on the lands in the Development owned by Landowner. The levy of the Drainage Taxes on the lands in the Development owned by Landowner will not conflict with or constitute a breach of or default under any agreement, mortgage, lien or other instrument to which any of the Landowner is a party or to which its property or assets are subject.

6. The Landowner has not made an assignment for the benefit of creditors, filed a petition as a debtor in bankruptcy, petitioned or applied to any tribunal for the appointment of a custodian, receiver or any trustee or commenced any proceeding under any bankruptcy, reorganization, arrangement, readjustment of debt, dissolution or liquidation law or statute of any jurisdiction. The Landowner has not indicated their consent to, or approval of, or failed to object timely to, any petition in bankruptcy, application or proceeding or order for relief or the appointment of a custodian, receiver or any trustee. The Landowner is not insolvent.

7. Other than as disclosed in the Limited Offering Memorandum, there are no mortgages or similar liens on the real property owned by the Landowner within the area subject to the Drainage Taxes as of the date hereof.

8. All 2023 and prior years taxes and special assessments relating to the lands in Atlantic Fields owned by the Landowner have been paid and there are no real estate taxes or special assessments currently due with respect to such lands which are delinquent.

9. To the best knowledge of the Landowner after due inquiry, the Landowner is in compliance in all material respects with all provisions of applicable law in all material matters relating to Atlantic Fields as described in the Preliminary Limited Offering Memorandum under the caption "ATLANTIC FIELDS" including, without limitation, applying for all known and currently necessary permits. Except as otherwise described in the Preliminary Limited Offering Memorandum and as of the date hereof, (a) Atlantic Fields is zoned and properly designated for its intended use; (b) all government permits other than certain permits, which permits are expected to be received as needed, have been received; (c) the Landowner is not aware of any default of any zoning condition, permit or development agreement which would adversely affect the Landowner's ability to complete or cause the completion of development of Atlantic Fields as described in the Preliminary Limited Offering Memorandum and in the Report of Engineer, as amended, and Plan of Improvements, as amended, attached thereto as Appendices D and B; (d) there is no reason to believe that any permits, consents and licenses required to complete Atlantic Fields as described in the Preliminary Limited Offering Memorandum will not be obtained in due course; (e) all potable water and sewer facilities and capacity necessary

to serve Atlantic Fields are reasonably expected to be available, as and when needed, and (f) the Landowner is unaware of any hazardous environmental contaminants prohibited by state or federal law which adversely affect the lands within Atlantic Fields in a material fashion, except as disclosed in the Limited Offering Memorandum

10. To its knowledge, after due inquiry, the Landowner has complied with all continuing disclosure commitments previously undertaken by it pursuant to Rule 15c2-12 prior to the date hereof.

11. The current general development plans for the Development are as set forth in the Limited Offering Memorandum under the caption "ATLANTIC FIELDS" and the status of sales activity and projected absorption for the Development is as set forth in the Limited Offering Memorandum under the subcaption ATLANTIC FIELDS—Absorption/Lot Sales." The Landowner is proceeding with all reasonable speed to cause the development of the assessable land in the Development and to construct and/or sell residential units therein to builders or members of the general public unrelated to the Landowner, the Developer and their affiliates. We understand that Bond Counsel to the District will rely on the foregoing representations in giving its opinion that interest on the Series 2024 Bonds is excludable from gross income for federal income tax purposes.

**DISCOVERY HOBE SOUND INVESTORS,
LLC, a Delaware limited liability company**

Name:

Title: Authorized Signatory

EXHIBIT F

\$ _____

**HOBE-ST. LUCIE CONSERVANCY DISTRICT
IMPROVEMENT BONDS,
UNIT OF DEVELOPMENT NO. 1A, SERIES 2024**

DISTRICT ENGINEER'S CERTIFICATE

The undersigned representative of (the "District Engineer"), certifies as follows:

1. This certificate is furnished pursuant to the Bond Purchase Agreement dated _____, 2024, between the Hobe-St. Lucie Conservancy District (the "Issuer") and the Underwriter named therein relating to the sale by the Issuer of its \$ _____ Improvement Bonds, Unit of Development No. 1A, Series 2024 (the "Series 2024 Bonds") for the purposes described in the Preliminary Limited Offering Memorandum dated _____, 2024, and a final Limited Offering Memorandum dated _____, 2024 (collectively, the "Limited Offering Memorandum") relating to the Series 2024 Bonds.

2. The District Engineer has been retained by the Issuer to act as its District Engineer.

3. All environmental and other regulatory permits or approvals required in connection with the construction of the Project (as described in the Limited Offering Memorandum) at this time have been obtained, are in full force and effect or in our opinion, and there is no reason why any subsequent permits required to complete the Project would not be approved upon submission of a proper application.

4. **[The District Engineer prepared a report entitled "Report of Engineer" for Unit 1A approved by the Issuer on June 22, 2022 (the "Engineer's Report") which generally describes and delineates the costs associated with a portion of the District's Water Control Plan for Unit of Development No. 1A adopted on June 22, 2022 (the "Plan of Improvements"), as amended from time to time as described in that certain "UNIT OF DEVELOPMENT NO. 1A AND THE PROJECT" (the "Project").]** The Engineer's Report and Plan of Improvements were prepared in accordance with generally accepted engineering practices. A description of the Issuer's Plan of Improvements, the Project, and certain other information relating to how the Project is to be financed with proceeds of the Series 2024 Bonds are included in the Limited Offering Memorandum under the caption "UNIT OF DEVELOPMENT NO. 1A AND THE PROJECT." Said information and the Engineer's Report, and Plan of Improvements are true and complete in all material respects, contain no untrue statement of a material fact, and do not omit to state a material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading.

5. The District Engineer hereby consents to the reference to the District Engineer in the Limited Offering Memorandum and inclusion of the Engineer's Report and Plan of Improvements in the Limited Offering Memorandum.

Date: _____, 2024

HIGGINS ENGINEERING, INC.

Name:

Title:

EXHIBIT G
OPINION OF COUNSEL TO LANDOWNER

_____, 2024

Hobe-St. Lucie Conservancy District
Martin County, Florida

MBS Capital Markets, LLC
Winter Park, Florida

Re: \$_____ Hobe-St. Lucie Conservancy District Improvement Bonds, Unit of
 Development No. 1A, Series 2024 (the “Bonds”)

Ladies and Gentlemen:

We are counsel to Discovery Hobe Sound Investors, LLC, a Delaware limited liability company (the “Landowner”). The Landowner holds title to certain tracts of real property within Unit of Development No. 1A (“Unit 1A”) which is within the Hobe-St. Lucie Conservancy District (the “District”).

Unit 1A is generally coterminous with and is located within a master planned community known as Atlantic Fields (the “Development”) that is being developed by the Landowner as described in the Limited Offering Memorandum (as hereinafter defined). This opinion is being rendered at the request of the Landowner in connection with the issuance by the District of the Bonds (the “Transaction”) as described in the District’s Preliminary Limited Offering Memorandum dated _____, 2024, including the appendices attached thereto (collectively, the “Preliminary Limited Offering Memorandum”) and the Limited Offering Memorandum, dated _____, 2024, including the appendices attached thereto (the “Final Limited Offering Memorandum” and, together with the Preliminary Limited Offering Memorandum, the “Limited Offering Memoranda”). It is our understanding that the Bonds are being issued to provide funds to: (i) finance the costs of improvements comprising the Series 2024 Project, (ii) pay certain costs associated with the issuance of the Bonds, (iii) make a deposit into the Series 2024 Reserve Account, and (iv) to pay capitalized interest on the Bonds through [November __, 20__].

In our capacity as counsel to the Landowner, we have examined originals or copies identified to our satisfaction as being true copies of the Limited Offering Memoranda, the Continuing Disclosure Agreement between the Landowner and Special District Services, Inc., as Dissemination Agent, the Certificate of Landowner dated _____, 2024, the Bond Purchase Agreement among the District, the Landowner and MBS Capital Markets, LLC, and the Landowner’s Agreement between the Landowner and the Issuer dated as of _____, 2024 (collectively, the “Landowner Agreements”) and have made such examination of law as we have deemed necessary or appropriate in rendering this opinion. In connection with the forgoing, we have also reviewed and examined the Limited Liability Company Agreements of the

Landowner and any other relevant affiliates of these entities (collectively, the “Landowner’s Organizational Documents”). Any terms not otherwise defined herein shall have the meaning ascribed thereto in the Limited Offering Memorandum.

Based upon and subject to the foregoing and to the assumptions, limitations and qualifications contained herein, we are of the opinion that:

1. The Landowner is duly organized and validly existing under the laws of the State of Delaware, and authorized to do business in Florida.

2. The execution, delivery and performance by the Landowner of the Landowner Agreements are within the powers of the Landowner and have been duly authorized by all required company action. The Landowner Agreements are the legal, valid and binding obligations of the Landowner, enforceable in accordance with their respective terms (except to the extent that the enforceability of the rights and remedies set forth therein may be limited by bankruptcy, insolvency, and similar laws affecting creditors’ rights generally and general principles of equity) and do not violate the Articles of Organization or any operating agreement to which the Landowner is a party. In addition, to the best of our knowledge, each of the Landowner Agreements is in full force and effect as of the date hereof and no event has occurred which, with the passage of time or giving of notice or both, would constitute an event of default thereunder.

3. Based on a review of the existing title insurance policy with respect to all of the lands in the District owned by the Landowner (the “Landowner Lands”), as such policies have been updated through [____], 2024, title to the Landowner Lands is held in fee simple by the Landowners and is subject only to the liens, encumbrances, easements and agreements set forth in such title insurance policy, none of which will impede in any material respect the development of the Development and construction of the Project as described in the Limited Offering Memoranda. Other than as disclosure in the Limited Offering Memoranda, there are no mortgages on the Landowner Lands.

4. The levy of the Drainage Taxes on the Landowner Lands to secure the Bonds to be issued by the District to finance improvements for the Project will not conflict with or constitute a breach of or default under any agreement, indenture or other instrument to which the Landowner is a party or to which its property or assets is subject.

5. There is no litigation pending or, to our knowledge, threatened, in either case, against the Landowner which would prevent or prohibit the continued development of Atlantic Fields in accordance with the description thereof in the Limited Offering Memoranda, the Plan of Improvements, as amended, annexed thereto as Appendix B, and the Report of Engineer, as amended, annexed thereto as Appendix D.

6. There is no litigation pending or, to our knowledge, threatened against the Landowner which may result in the Landowner’s inability to develop the Development as

described in the Limited Offering Memoranda or to fulfill its obligations under the Landowner Agreements.

7. The Landowner has not made an assignment for the benefit of creditors, filed a petition in bankruptcy, petitioned or applied to any tribunal for the appointment of a custodian, receiver or any trustee or commenced any proceeding under any bankruptcy, reorganization, arrangement, readjustment of debt, dissolution or liquidation law or statute of any jurisdiction. The Landowner has not indicated its consent to, or approval of, or failed to object timely to, any petition in bankruptcy, application or proceeding or order for relief or the appointment of a custodian, receiver or any trustee.

8. The Landowner is not in default under any mortgage, trust indenture, lease or other instrument to which it or any of its assets is subject, which default would have a material adverse effect on the Bonds, construction of the Project, or the Development.

9. Nothing has come to our attention that would lead us to believe that the information contained under the captions "THE LANDOWNER AND DEVELOPER," "ATLANTIC FIELDS," "LITIGATION - The Landowner," and Appendix C in the Preliminary Limited Offering Memorandum and the Final Limited Offering Memorandum is not true and correct in any material respect or contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements, in light of the circumstances under which they were made, not misleading.

10. The lands in the Development have the appropriate land use, zoning, Planned Unit Development (the "Atlantic Fields PUD") and other governmental approvals, to permit the development of the Development as described by the Limited Offering Memorandum, the Plan of Improvements, as amended, attached thereto as Appendix B, and the Report of Engineer, as amended, attached thereto as Appendix D. All material conditions of the governmental development approvals and agreements applicable to the land in the Development have been complied with as of the date hereof or will be complied with in due course and there are no conditions therein that must be complied with in the future that would limit the development of Atlantic Fields (including infrastructure improvements needed for Atlantic Fields not included in the Project) as described in the Limited Offering Memoranda. Any development agreements between the Landowner and Martin County relating to the Development are in full force and effect as of the date hereof and, to the best of our knowledge, no event has occurred which, with the passage of time or giving of notice or both, would constitute an event of default thereunder.

11. Based upon our review of the published County tax records, all 2023 and prior years ad-valorem taxes, assessments, and other charges relating to the Landowner Lands have been paid and there are no ad-valorem taxes, assessments, and other charges currently due upon such Landowner Lands which are unpaid.

The opinions regarding enforceability of the Landowner Agreements that are contained above are limited by: (i) bankruptcy, insolvency, reorganization, moratorium, fraudulent

conveyance and transfer, and similar law affecting the rights of creditors' generally (the "Bankruptcy Exception"); and (ii) general principles of equity, regardless of whether such enforceability is considered in a proceeding at law or in equity.

EXHIBIT H

\$ _____

HOBE-ST. LUCIE CONSERVANCY DISTRICT IMPROVEMENT BONDS, UNIT OF DEVELOPMENT NO. 1A, SERIES 2024

INDEMNIFICATION AGREEMENT

_____, 2024

This Indemnification Agreement (this "Agreement") is between Hobe-St. Lucie Conservancy District (the "Issuer") and Discovery Hobe Sound Investors, LLC (the "Landowner"). Terms used herein which are not otherwise defined have the same meanings as in the Bond Purchase Agreement (the "BPA"), dated of even date herewith, among the parties hereto and MBS Capital Markets, LLC (the "Underwriter"). This Agreement is executed in consideration of the execution of the BPA by the parties and the transactions described therein, which the parties acknowledge is sufficient consideration for the establishment of this Agreement.

1. Indemnification. The Landowner recognizes that the acknowledgements, certifications, representations and warranties provided by the Landowner in the BPA or in certain certificates provided as part of the closing or thereafter on the Series 2024 Bonds by its agents and by any other of its affiliated entities (collectively, the "Certifications") serve as a material inducement and consideration for the Issuer to issue the Series 2024 Bonds which will provide infrastructure, services and facilities benefiting the property within Unit of Development No. 1A of the Issuer, and for the Underwriter to underwrite and purchase the Series 2024 Bonds. The Landowner hereby agrees to indemnify and hold harmless the Issuer, its officers, bond counsel, general counsel, and employees, and each person, if any, who controls (as such term is defined in Section 15 of the Securities Act of 1933, as amended) the Issuer (each, an "Indemnified Party") from and against any and all proceedings, judgments, obligations, losses, damages, deficiencies, settlements, assessments, charges, costs and expenses (including without limitation reasonable attorneys' fees, paralegals' fees, investigation expenses, court costs, interest and penalties through all negotiations, trial and appellate levels) to the extent arising solely out of and caused directly by any of the Certifications being materially incorrect.

In case any claim shall be made or action brought against any Indemnified Party based upon the Official Statement for which indemnity or hold harmless may be sought against the Landowner, as provided above, the Indemnified Party shall promptly notify the Landowner in writing setting forth the specific particulars of such claim or action and the particulars of the Certification allegedly materially incorrect, and the Landowner shall provide and be responsible for payment of the fees and costs for the defense thereof. The Indemnified Party shall have the right to retain its own legal counsel in any such action and to participate in the defense thereof and the Landowner hereby specifically authorizes the retaining of such legal counsel and the Landowner shall not be entitled to assume the defense of such suit notwithstanding its obligation to bear the reasonable fees and expenses of such legal counsel.

2. Notices. Any notice or other communication to be given hereunder shall be given in the same manner as notices under the BPA.

3. Parties in Interest. This Agreement is made by the Landowner solely for the benefit of the Issuer and the other Indemnified Parties and no other party or person shall acquire or have any right hereunder or by virtue hereof.

4. Effectiveness. This Agreement shall become effective upon the execution of the acceptance hereof by the Issuer and the Landowner and shall be valid and enforceable at the time of such acceptance, provided that it is a condition precedent to the effectiveness of this Agreement that the BPA shall have been executed by all parties thereto.

5. Amendments. This Agreement may be amended or modified at any time and in all respects by an instrument in writing executed by all of the parties to this Agreement.

6. Successors. All of the terms and provisions of this Agreement shall be binding upon and inure to the benefit of and be enforceable by the parties, their heirs, executors, administrators, successors and assigns.

7. Interpretation. If any provision of this Agreement shall be held or deemed to be or shall, in fact, be illegal, inoperative or unenforceable in any context, the same shall not affect any other provision herein or render any other provision invalid, inoperative or unenforceable to any extent whatsoever. Further, this Agreement shall be construed and enforced as though said provision had not been contained herein and the Agreement shall be given full force and effect to the extent reasonably practicable.

8. Interest. With the exception of any rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Agreement is intended or shall be construed to give any person or entity other than the parties hereto, any legal or equitable right, remedy or claim under or with respect to this Agreement since this Agreement is intended to be for the sole and exclusive benefit of the parties hereto.

9. Jurisdiction. It is the intention of the parties that the laws of the State of Florida shall govern the validity of this Agreement, the construction of its terms, and the interpretation of the rights and duties of the parties.

10. Venue. It is the intention of the parties that in the event any litigation should arise between the parties to this Agreement, then in that event the venue of said litigation shall be in the Nineteenth Judicial Circuit in and for Martin County, Florida.

11. Recording. This Agreement shall not be recorded without the prior written consent of all parties hereto.

12. Counterparts. This Agreement may be executed in several counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same document.

HOBE-ST. LUCIE CONSERVANCY DISTRICT

Rich Melchiori, President, Board of Supervisors

DISCOVERY HOBE SOUND INVESTORS, LLC

Name:

Title: Authorized Signatory

EXHIBIT D

FORM OF PRELIMINARY LIMITED OFFERING MEMORANDUM

#235670397_v8

NEW ISSUE - BOOK-ENTRY ONLY

UNRATED

In the opinion of Holland & Knight LLP, Bond Counsel, as more fully described herein, under existing law and assuming continuing compliance by the District (hereinafter defined) with certain tax covenants, the interest on the Series 2024 Bonds is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") and is not treated as an item of tax preference for purposes of computing the federal alternative minimum tax imposed on individuals under the Code; however, the interest on the Series 2024 Bonds is included in the "adjusted financial statement income" of certain corporations on which the federal alternative minimum tax is imposed under the Code. See "TAX MATTERS" herein.

HOBE-ST. LUCIE CONSERVANCY DISTRICT

**\$ _____ * Improvement Bonds,
Unit of Development No. 1A, Series 2024**

DATED: Date of Delivery

DUE: May 1, as shown on the inside cover

The Series 2024 Bonds are being issued as fully registered bonds without coupons and will be initially issued to and registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC") of New York, New York, which will act as securities depository for the Series 2024 Bonds. The Series 2024 Bonds are being issued in principal denominations of \$5,000 or any integral multiple thereof under the book-entry system maintained by DTC through brokers and dealers who are or act through DTC Participants. In the initial offering, the Underwriter will sell the Series 2024 Bonds to the initial purchasers only in aggregate principal amounts of at least \$100,000. Purchasers of beneficial interests in the Series 2024 Bonds will not receive physical delivery of the Series 2024 Bonds, but will be Beneficial Owners (and not registered owners) of the Series 2024 Bonds. For so long as any purchaser is the Beneficial Owner of a Series 2024 Bond, such purchaser must maintain an account with a broker or dealer who is, or acts through, a DTC Participant in order to receive payment of the principal of and interest on such Series 2024 Bonds. See "BOOK-ENTRY ONLY SYSTEM" herein.

The Series 2024 Bonds will be dated the date of their initial issuance, will bear interest from that date, payable on May 1 and November 1 of each year, commencing November 1, 2024, at the rates (calculated on the basis of a 360-day year consisting of twelve 30-day months) and, subject to the redemption provisions described herein, will mature on the dates and in the amounts set forth on the inside cover hereof. The Series 2024 Bonds are subject to optional, extraordinary optional and mandatory redemption prior to maturity as described herein.

The Series 2024 Bonds are being issued by Hobe-St. Lucie Conservancy District (the "District"). The District is a water control district, which is an independent special district of the State of Florida. The Series 2024 Bonds are being issued pursuant to the authority of Chapter 2005-339, Laws of Florida, as amended and supplemented from time to time, applicable provisions of Chapter 298, Florida Statutes, as amended, and other applicable provisions of law, and Resolution No. 2022-06 adopted by the Board of Supervisors of the District on June 22, 2022 (as amended and restated by Resolution No. 2023-05, adopted on October 25, 2023, and as further amended and restated by Resolution No. 2024-[] adopted on March 27, 2024), and as may hereafter be amended, restated and supplemented, and as particularly supplemented by Resolution No. 2024-[] adopted by the Board of Supervisors of the District on March 27, 2024 (collectively, the "Resolution").

The Series 2024 Bonds are being issued for the purpose of providing funds to (i) pay a portion of the costs of the Series 2024 Project (as defined herein) with respect to Unit of Development No. 1A (as defined herein) of the District, (ii) pay the costs of issuing the Series 2024 Bonds, (iii) fund a deposit to the Series 2024 Reserve

Account for the Series 2024 Bonds, and (iv) pay interest coming due on the Series 2024 Bonds through November 1, 2025.

THE SERIES 2024 BONDS ARE SPECIAL LIMITED OBLIGATIONS OF THE DISTRICT. THE SERIES 2024 BONDS ARE PAYABLE SOLELY FROM AND ARE SECURED SOLELY BY A LIEN UPON AND PLEDGE OF THE TRUST ESTATE, WHICH MEANS THE NON-AD VALOREM SPECIAL ASSESSMENTS, REFERRED TO HEREIN AS "DRAINAGE TAXES," LEVIED BY THE DISTRICT AGAINST THE ASSESSABLE REAL PROPERTY IN UNIT OF DEVELOPMENT NO. 1A AND AMOUNTS HELD IN THE FUNDS AND ACCOUNTS CREATED BY THE RESOLUTION, TO THE EXTENT PLEDGED TO THE OWNERS OF THE SERIES 2024 BONDS PURSUANT TO THE RESOLUTION.

THERE ARE RISKS INHERENT IN AN INVESTMENT IN THE SERIES 2024 BONDS. THE SERIES 2024 BONDS MAY NOT BE AN APPROPRIATE INVESTMENT FOR ALL POTENTIAL INVESTORS. THE DISTRICT AND THE UNDERWRITER ARE LIMITING THIS INITIAL OFFERING OF THE SERIES 2024 BONDS TO ACCREDITED INVESTORS AS DEFINED IN REGULATION D (17 C.F.R 230.501) OF THE SECURITIES AND EXCHANGE COMMISSION. THE LIMITATION ON THE INITIAL OFFERING TO ACCREDITED INVESTORS DOES NOT IMPOSE ANY RESTRICTION ON TRANSFERS IN ANY SECONDARY MARKET FOR THE SERIES 2024 BONDS. SEE "OWNERS' RISKS" AND CERTAIN SUBSECTIONS UNDER "SECURITY FOR THE SERIES 2024 BONDS" HEREIN FOR A SUMMARY OF CERTAIN OF THESE RISKS.

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT A SUMMARY OF THE ISSUE. INVESTORS MUST READ THIS ENTIRE LIMITED OFFERING MEMORANDUM TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION.

The Series 2024 Bonds are offered when, as and if issued and received by the Underwriter, subject to approval of legality and tax-exempt status by Holland & Knight LLP, West Palm Beach, Florida, Bond Counsel. Certain other legal matters will be passed upon for the District by its Counsel, Caldwell Pacetti Edwards Schoech & Viator LLP, West Palm Beach, Florida, and for the Landowner by its Counsel, Gunster, Yoakley & Stewart, P.A., West Palm Beach, Florida. The Underwriter is represented by Bryant Miller Olive P.A., Orlando, Florida. It is expected that the Series 2024 Bonds will be available for delivery through the facilities of DTC on or about _____, 2024.

MBS Capital Markets, LLC

The date of this Limited Offering Memorandum is _____, 2024.

RED HERRING LANGUAGE:

This Preliminary Limited Offering Memorandum and the information contained herein are subject to completion or amendment. The Series 2024 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 the solicitation of an offer to buy, nor shall there be any sale of the Series 2024 Bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

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

\$_____† SERIES 2024 BONDS

\$_____ __.____% Term Bonds due May 1, 20__ Price ____% Yield ____ % CUSIP No. _____

\$_____ __.____% Term Bonds due May 1, 20__ Price ____% Yield ____ % CUSIP No. _____

\$_____ __.____% Term Bonds due May 1, 20__ Price ____% Yield ____ % CUSIP No. _____

HOBE-ST. LUCIE CONSERVANCY DISTRICT
c/o Special District Services, Inc., District Manager
The Oaks Center
2501A Burns Road
Palm Beach Gardens, Florida 33410

BOARD OF SUPERVISORS

Rick Melchiori, President
Ed Weinberg, Vice President
Robert Brown, Assistant Secretary

COUNSEL TO THE DISTRICT

Caldwell Pacetti Edwards Schoech & Viator LLP
West Palm Beach, Florida

BOND COUNSEL

Holland & Knight LLP
West Palm Beach, Florida

* 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.

† Preliminary, subject to change.

NO BROKER, DEALER, SALESMAN OR OTHER PERSON HAS BEEN AUTHORIZED BY THE DISTRICT OR THE UNDERWRITER 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 2024 BONDS BY ANY PERSON IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL FOR SUCH PERSON TO MAKE SUCH OFFER, SOLICITATION OR SALE.

THE UNDERWRITER (HEREINAFTER DEFINED) 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. THE INFORMATION SET FORTH HEREIN HAS BEEN FURNISHED, IN PART, BY THE DISTRICT (HEREINAFTER DEFINED) AND OBTAINED FROM OTHER SOURCES, INCLUDING DISCOVERY HOBE SOUND INVESTORS, LLC, WHICH ARE BELIEVED TO BE RELIABLE, BUT IT IS NOT GUARANTEED AS TO ACCURACY OR COMPLETENESS BY THE UNDERWRITER AND IS NOT TO BE CONSTRUED AS A REPRESENTATION OF THE UNDERWRITER. THE INFORMATION AND EXPRESSIONS OF OPINION HEREIN ARE SUBJECT TO CHANGE WITHOUT NOTICE, AND NEITHER THE DELIVERY OF THIS LIMITED OFFERING MEMORANDUM NOR ANY SALE MADE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE DISTRICT OR OTHER MATTERS DESCRIBED HEREIN SINCE THE DATE HEREOF.

THE SERIES 2024 BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 NOR HAS THE RESOLUTION BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THE REGISTRATION OR QUALIFICATION OF THE SERIES 2024 BONDS UNDER THE SECURITIES LAWS OF THE JURISDICTIONS IN WHICH THEY HAVE BEEN REGISTERED OR QUALIFIED, IF ANY, SHALL NOT BE REGARDED AS A RECOMMENDATION THEREOF. NONE OF THESE JURISDICTIONS NOR THEIR AGENCIES HAVE PASSED UPON THE MERITS OF THE SERIES 2024 BONDS OR THE ACCURACY OR COMPLETENESS OF THIS LIMITED OFFERING MEMORANDUM.

“FORWARD-LOOKING STATEMENTS” ARE USED IN THIS DOCUMENT BY USING FORWARD LOOKING WORDS SUCH AS “MAY,” “WILL,” “SHOULD,” “INTENDS,” “EXPECTS,” “BELIEVES,” “ANTICIPATES,” “ESTIMATES,” OR OTHER WORDS OF SIMILAR IMPORT. THE READER IS CAUTIONED THAT FORWARD-LOOKING STATEMENTS ARE SUBJECT TO A VARIETY OF UNCERTAINTIES THAT COULD CAUSE ACTUAL RESULTS TO DIFFER FROM THE PROJECTED RESULTS. THOSE RISKS AND UNCERTAINTIES INCLUDE

GENERAL ECONOMIC AND BUSINESS CONDITIONS, CONDITIONS IN THE FINANCIAL MARKETS, FINANCIAL CONDITION OF THE DISTRICT, THE DISTRICT'S COLLECTION OF ASSESSMENTS, AND VARIOUS OTHER FACTORS WHICH MAY BE BEYOND THE DISTRICT'S CONTROL. BECAUSE THE DISTRICT CANNOT PREDICT ALL FACTORS THAT MAY AFFECT FUTURE DECISIONS, ACTIONS, EVENTS, OR FINANCIAL CIRCUMSTANCES, WHAT ACTUALLY HAPPENS MAY BE DIFFERENT FROM WHAT IS INCLUDED IN FORWARD-LOOKING STATEMENTS.

DISCOVERY HOBE SOUND INVESTORS, LLC HAS "DEEMED FINAL" THE INFORMATION IN THIS PRELIMINARY LIMITED OFFERING MEMORANDUM CONCERNING THE LANDOWNER, THE DEVELOPER AND ATLANTIC FIELDS (AS SUCH TERMS ARE DEFINED HEREIN) FOR PURPOSES OF RULE 15c2-12 OF THE SECURITIES EXCHANGE COMMISSION (THE "RULE") EXCEPT FOR CERTAIN "PERMITTED OMISSIONS" WITHIN THE MEANING OF THE RULE.

IN RELIANCE ON THE AFOREMENTIONED CERTIFICATE OF DISCOVERY HOBE SOUND INVESTORS, LLC AS TO THE INFORMATION IN THIS PRELIMINARY LIMITED OFFERING MEMORANDUM CONCERNING THE LANDOWNER, THE DEVELOPER AND ATLANTIC FIELDS, THIS PRELIMINARY LIMITED OFFERING MEMORANDUM HAS BEEN "DEEMED FINAL" BY THE DISTRICT FOR PURPOSES OF THE RULE, EXCEPT FOR CERTAIN "PERMITTED OMISSIONS" WITHIN THE MEANING OF THE RULE.

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LIMITED OFFERING MEMORANDUM

Relating To

HOBE-ST. LUCIE CONSERVANCY DISTRICT

\$_____‡ Improvement Bonds,
Unit of Development No. 1A, Series 2024

INTRODUCTION

The purpose of this Limited Offering Memorandum, including the cover page, inside cover page, and appendices hereto, is to furnish information with respect to Hobe-St. Lucie Conservancy District (the “District”) and the original issuance and sale of the District’s Improvement Bonds, Unit of Development No. 1A, Series 2024 in the principal amount of \$_____ * (the “Series 2024 Bonds”).

EACH PROSPECTIVE INVESTOR SHOULD BE AWARE OF CERTAIN RISK FACTORS, ANY ONE OF WHICH, IF MATERIALIZED TO A SUFFICIENT DEGREE, COULD DELAY OR PREVENT PAYMENT OF PRINCIPAL AND/OR INTEREST ON THE SERIES 2024 BONDS. SEE “OWNERS’ RISKS” AND CERTAIN SUBSECTIONS UNDER “SECURITY FOR THE SERIES 2024 BONDS” HEREIN FOR A SUMMARY OF CERTAIN OF THESE RISKS.

The Series 2024 Bonds are being issued pursuant to the authority of Chapter 2005-339, Laws of Florida, as amended and supplemented from time to time, applicable provisions of Chapter 298, Florida Statutes, as amended, and other applicable provisions of law (collectively, the “Act”) and Resolution No. 2022-06 adopted by the Board of Supervisors (the “Board”) of the District on June 22, 2022, as amended and restated by Resolution No. 2023-05, adopted by the Board on October 25, 2023, and as further amended and restated by Resolution No. 2024-[___], adopted by the Board on March 27, 2024, and as may hereafter be amended, restated and supplemented (the “Master Resolution”), and as particularly supplemented with respect to the Series 2024 Bonds by Resolution No. 2024-[___], adopted by the Board on March 27, 2024 (the “Award Resolution” and, together with the Master Resolution, the “Resolution”). Copies of resolutions comprising the adopted Resolution are contained in Appendix A hereto. All capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Resolution.

The Series 2024 Bonds are being issued to provide funds to: (i) pay a portion of the costs of the Series 2024 Project (as defined herein) with respect to Unit of Development No. 1A (as defined herein) of the District, (ii) pay the costs of issuing the Series 2024 Bonds, (iii) fund a deposit to the Series 2024 Reserve Account for the Series 2024 Bonds, and (iv) pay interest coming

‡ Preliminary, subject to change.

due on the Series 2024 Bonds through November 1, 2025. The Plan of Improvements (as defined herein) is reproduced in Appendix B hereto. See "UNIT OF DEVELOPMENT NO. 1A AND THE PROJECT" herein.

The Series 2024 Bonds are special limited obligations of the District. The Series 2024 Bonds are payable solely from and are secured solely by a lien upon and pledge of the Trust Estate, which means the non-ad valorem special assessments, referred to herein as "Drainage Taxes," levied by the District against the Assessable Real Property (hereinafter defined) in Unit of Development No. 1A and amounts held in the funds and accounts created by the Resolution, to the extent pledged to the Owners of the Series 2024 Bonds, subject in all respects to the terms and conditions of the Resolution. See "SECURITY FOR THE SERIES 2024 BONDS" herein for further information.

Unit of Development No. 1A (also sometimes referred to herein as "Unit 1A") consists of approximately 1,530 acres of land located in unincorporated eastern Martin County, Florida (the "County"). Maps and renderings that contain further information regarding the location of Unit 1A and other matters are included in Appendix C.

The land included in the boundaries of Unit 1A is being developed as a luxury golf course community known as "Atlantic Fields." Atlantic Fields is currently planned to include 317 luxury homes built around high-quality amenities and preserved lands. All of the land within Unit 1A and Atlantic Fields is owned by Discovery Hobe Sound Investors, LLC, a Delaware limited liability company (the "Landowner"). See "ATLANTIC FIELDS" herein for further information.

None of the Landowner, its affiliated entities referred to herein, including the Developer (hereinafter defined) or any other owner of land in Unit 1A is obligated to pay debt service on the Series 2024 Bonds. However, the Assessable Real Property in Unit 1A will be subject to the Drainage Taxes that are the source of funds for the payment of principal of and interest on the Series 2024 Bonds as described herein. See "OWNERS' RISKS - Drainage Taxes are Non-Recourse."

Implementation of the Improvements set forth in the Plan of Improvements (as more fully defined in the Master Resolution, the "Project") is intended to provide public water and sewer utilities, a public surface water management and drainage system, and irrigation facilities to serve the land in Unit 1A. Proceeds of the Series 2024 Bonds will be used to finance a portion of the cost of the Series 2024 Project, which is a portion of the Project, and the remaining cost of the Project not paid with proceeds of the Series 2024 Bonds is anticipated to be funded by the Landowner and/or Atlantic Fields Development, LLC, a Delaware limited liability company (the "Developer"). The Landowner is obligated to pay any development costs of the Project which are not paid with proceeds of the Series 2024 Bonds and any additional Bonds pursuant to the terms of the Landowner's Agreement to be executed at or prior to the issuance of the Series 2024 Bonds between the District and the Landowner. See "UNIT OF DEVELOPMENT NO. 1A AND THE PROJECT" and "ATLANTIC FIELDS" herein for further information.

Pursuant to the Resolution, after the issuance of the Series 2024 Bonds, no additional Bonds may be issued except as described herein under “SECURITY FOR THE SERIES 2024 BONDS - Additional Bonds.”

This Limited Offering Memorandum includes descriptions of the Series 2024 Bonds, the District, the Plan of Improvements, the Project (of which the Series 2024 Project is a part), Unit 1A, the Landowner, the Developer, Atlantic Fields and certain other matters.

THE SERIES 2024 BONDS

General Description

The Series 2024 Bonds are being issued as fully registered bonds in principal denominations of \$5,000 or any integral multiple thereof. However, in the initial offering the Underwriter will sell the Series 2024 Bonds to the initial purchasers only in aggregate principal amounts of at least \$100,000. The District and the Underwriter are limiting the initial offering of the Series 2024 Bonds to Accredited Investors as defined in Regulation D (17 C.F.R 230.501) of the Securities and Exchange Commission. The Series 2024 Bonds will be dated the date of their initial issuance and delivery, will bear interest from that date at the rates (calculated on the basis of a 360-day year consisting of twelve 30-day months) and, subject to the redemption provisions described below, will mature on the dates and in the amounts set forth on the inside cover page hereof.

Interest on the Series 2024 Bonds is payable on May 1 and November 1 of each year (the “Interest Payment Dates”), commencing November 1, 2024. Interest will be paid by check or draft mailed on the Interest Payment Date by The Bank of New York Mellon Trust Company, N.A., or its successor, as Trustee (the “Trustee”), to the registered Owners as of the close of business at the Designated Office of the Trustee on the fifteenth day of the month next preceding the Interest Payment Date; provided, however, that upon the written request of and at the expense of any Owner of at least \$1,000,000 principal amount of Series 2024 Bonds (or of all Series 2024 Bonds if less than \$1,000,000 shall be unpaid), interest will be paid by wire transfer to a bank account specified in such written request. Principal of the Series 2024 Bonds is payable when due upon presentation and surrender of the Series 2024 Bonds at the Designated Office of the Trustee; provided, however, while the Series 2024 Bonds are maintained under a book-entry only system, no presentation of Series 2024 Bonds is required.

For so long as the book-entry system of ownership of the Series 2024 Bonds continues, principal of and interest on the Series 2024 Bonds will be paid as described herein under “Book-Entry Only System.”

Redemption Provisions

Mandatory Redemption. The Series 2024 Bonds maturing on May 1, 20__, shall be subject to mandatory redemption (except for the final installment due at maturity, which is not a redemption) in part by the District at a redemption price equal to the unpaid principal amount thereof plus accrued interest thereon to the redemption date, on May 1 in the years and in the principal amounts set forth below:

<u>Year</u>	<u>Amount</u>
-------------	---------------

*

*Maturity.

The Series 2024 Bonds maturing on May 1, 20__, shall be subject to mandatory redemption (except for the final installment due at maturity, which is not a redemption) in part by the District at a redemption price equal to the unpaid principal amount thereof plus accrued interest thereon to the redemption date, on May 1 in the years and in the principal amounts set forth below:

<u>Year</u>	<u>Amount</u>
-------------	---------------

*

*Maturity.

The Series 2024 Bonds maturing on May 1, 20__, shall be subject to mandatory redemption (except for the final installment due at maturity, which is not a redemption) in part by the District at a redemption price equal to the unpaid principal amount thereof plus accrued interest thereon to the redemption date, on May 1 in the years and in the principal amounts set forth below:

<u>Year</u>	<u>Amount</u>
-------------	---------------

*

*Maturity.

Upon any redemption of the Series 2024 Bonds (other than Series 2024 Bonds subject to mandatory redemption) the Issuer shall cause to be recalculated and delivered to the Trustee a revised schedule of mandatory sinking fund redemption of the Series 2024 Bonds so as to re-amortize the remaining Outstanding Series 2024 Bonds in substantially equal annual installments

of principal and interest (subject to rounding to authorized denominations of principal) over the remaining term of the Series 2024 Bonds.

If as of any date the District shall have discharged, whether through purchase for cancellation, redemption or otherwise, Series 2024 Bonds of a maturity in excess of the aggregate mandatory redemption requirements for such maturity to but not including such date, such excess of Series 2024 Bonds so discharged and not previously applied as a credit as described in this paragraph shall be credited over such of the remaining mandatory redemption dates for the Series 2024 Bonds of such maturity as the District shall determine, and shall reduce the amount of such Series 2024 Bonds otherwise subject to mandatory redemption on such date(s); provided, however, that no such excess shall be credited to the amount of Series 2024 Bonds subject to mandatory redemption on a particular May 1 after the selection of Series 2024 Bonds to be redeemed on such date has been made.

Optional Redemption. Except as hereinafter provided under “Extraordinary Optional Redemption at Par,” the Series 2024 Bonds are not subject to redemption at the option of the District prior to May 1, 20__. The Series 2024 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 equal to the principal amount thereof, plus accrued interest thereon to the date of redemption.

Extraordinary Optional Redemption at Par.

(a) Amounts transferred from the Series 2024 Reserve Account to the Series 2024 Principal Account in accordance with the Resolution may, at the option of the Issuer, in its sole discretion, and upon written direction of the Issuer to the Trustee, be used to redeem Series 2024 Bonds, prior to maturity, in whole or in part at any time, at a price equal to the principal amount thereof plus accrued interest to the date of redemption.

(b) Amounts transferred from the Series 2024 Project Account to the Series 2024 Principal Account in accordance with the Resolution may, at the option of the Issuer, in its sole discretion, and upon written direction of the Issuer to the Trustee, be used to redeem Series 2024 Bonds, prior to maturity, in whole or in part at any time, at a price equal to the principal amount thereof plus accrued interest to the date of redemption.

The Series 2024 Bonds to be redeemed pursuant to any extraordinary optional redemption will be selected from each maturity of the Series 2024 Bonds on a reasonably proportionate basis, based upon the ratio of the outstanding principal amount of each such maturity to the outstanding principal amount of all Series 2024 Bonds.

Notice of Redemption. No notice of the optional redemption of Series 2024 Bonds may be given unless funds for such redemption are irrevocably deposited with the Trustee prior to giving such notice or unless the notice expressly states that the redemption is subject to deposit of funds by the District. A notice of optional redemption may be conditioned upon the availability of funds to pay the redemption price of the Series 2024 Bonds to be redeemed on the redemption date, or

to any other condition specified by the District, and in such event, the notice of redemption shall expressly state that it is subject to such condition. In the event that a conditional notice of redemption is given and in the event that the condition is not satisfied, such Series 2024 Bonds shall continue to be Outstanding as if such notice had not been given.

Notice of the call for any redemption of Series 2024 Bonds shall be given by the Trustee by mailing a copy of a redemption notice by Mail, at least thirty days and not more than sixty calendar days prior to the date fixed for redemption, to the Owner, as shown on the Bond Register at the close of business at the Designated Office of the Trustee on the Record Date, of each Series 2024 Bond to be redeemed in whole or in part at the address of such Owner shown on the Bond Register. The failure to give such notice or any defect therein shall not affect the validity of any proceedings for the redemption of any Series 2024 Bond with respect to which no such failure has occurred. Any notice prepared and mailed as provided in the Resolution shall be conclusively presumed to have been duly given, whether or not the Owner of Series 2024 Bonds to be redeemed receives the notice.

The Trustee shall send an additional copy of the notice of redemption, by registered or certified mail, to any Owner of a Series 2024 Bond called for redemption which has not been presented for redemption by the sixtieth day after the applicable redemption date. Such further notice of redemption shall be sent at any time after the sixtieth and before the ninetieth day after the redemption date. Failure of the Trustee to send any such further notice of redemption shall not affect the validity of any proceedings for the redemption of the Series 2024 Bonds.

Redemption Payments. Upon the giving of the notice of redemption as described above, the Series 2024 Bonds or portions thereof called for redemption shall become due and payable on the redemption date at the redemption price, and if the funds necessary to effect such redemption are on deposit with the Trustee and are available therefor, such Series 2024 Bonds or portions thereof shall cease to bear interest from and after the redemption date, and such Series 2024 Bonds or such portions thereof shall cease from and after the redemption date to be entitled to any benefit of or security under the Resolution, and the Owners thereof shall have no rights in respect of such Series 2024 Bonds or portions thereof except the right to receive payment of the redemption price thereof.

So long as the Series 2024 Bonds are held by DTC (hereinafter defined) in its book-entry only system of registration, certain matters relating to the redemption of the Series 2024 Bonds will be governed by the procedures of DTC. See "BOOK-ENTRY ONLY SYSTEM" herein.

Registration, Transfer and Exchange

The Series 2024 Bonds are transferable only upon the Bond Register. For so long as the book-entry only system of ownership is being maintained for the Series 2024 Bonds, transfers of beneficial ownership interests in the Series 2024 Bonds will be accomplished as described herein under "Book-Entry Only System," and Cede & Co. shall be the sole Owner of the Series 2024

Bonds. In the event such book-entry system of ownership is discontinued, transfers of the Series 2024 Bonds shall be accomplished as described below.

Series 2024 Bonds may be exchanged, at the option of their Owner, for Series 2024 Bonds of any authorized denomination or denominations in an aggregate principal amount equal to the unmatured and unredeemed principal amount of, and bearing interest at the same rate and maturing on the same date or dates as the Series 2024 Bonds being exchanged. The exchange shall be made upon presentation and surrender at the Designated Office of the Trustee of the Series 2024 Bond or Bonds being exchanged, duly endorsed for exchange (or accompanied by an assignment duly executed) by the Owner or the Owner's attorney-in-fact duly authorized in writing.

Any Series 2024 Bond may be transferred upon presentation and surrender at the Designated Office of the Trustee of the Series 2024 Bond being transferred, duly endorsed for transfer (or accompanied by an assignment duly executed) by the Owner or the Owner's attorney-in-fact duly authorized in writing. Upon transfer of any Series 2024 Bond the Trustee shall deliver to the transferee a new Series 2024 Bond or Bonds of the same series registered in the name of the transferee, of any authorized denomination or denominations in an aggregate principal amount equal to the unmatured and unredeemed principal amount of, and bearing interest at the same rate and maturing on the same date as the Series 2024 Bond or Bonds presented and surrendered for transfer.

In the case of any transfer or exchange, the District and the Trustee may require the payment by the Owner requesting exchange or transfer of any tax or other governmental charge required to be paid with respect to such exchange or transfer and such charge shall be paid before a new Series 2024 Bond is issued.

Neither the District nor the Trustee shall be required to transfer or exchange any Series 2024 Bond during the period beginning ten Business Days before the date of the mailing of a notice of redemption of Series 2024 Bonds and ending at the close of business at the Designated Office of the Trustee on the day of such mailing, or to transfer or exchange any Series 2024 Bond called for redemption, in whole or in part.

BOOK-ENTRY ONLY SYSTEM

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

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

Purchases of beneficial ownership interests in Series 2024 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2024 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2024 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2024 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2024 Bonds, except in the event that use of a book entry only system for the Series 2024 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2024 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2024 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2024 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2024 Bonds are credited, which may or may not be the Beneficial

Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

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

Redemption notices shall be sent to DTC. If less than all of the Series 2024 Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the ownership interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2024 Bonds unless authorized by a Direct Participant in accordance with DTC procedure. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2024 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Series 2024 Bonds will be made to Cede & Co., or such other nominee as may be directed 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, 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 Trustee or the District, subject to any statutory or regulatory requirement as may be in effect from time to time.

Payment of principal and interest on the Series 2024 Bonds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC), is the responsibility of the District and the Trustee, disbursement of such payment to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Series 2024 Bonds at any time by giving reasonable advance notice to the District. Under such

circumstances, in the event that a successor securities depository is not obtained, Series 2024 Bond certificates will be delivered in accordance with transfer instructions provided by DTC, or its nominee, as registered owner.

The District may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Series 2024 Bond certificates will be delivered in accordance with transfer instructions provided by DTC, or its nominee, as registered owner. Thereafter, Series 2024 Bond certificates may be transferred and exchanged as described in the Resolution. See “Appendix A - The Resolution.”

The information in this section concerning DTC and DTC’s book-entry system has been obtained from DTC, a source that the District believes to be reliable, but the District does not guarantee the accuracy thereof.

SECURITY FOR THE SERIES 2024 BONDS

General

THE SERIES 2024 BONDS AND THE OBLIGATIONS EVIDENCED THEREBY SHALL NOT BE GENERAL OBLIGATIONS OR INDEBTEDNESS OF THE DISTRICT BUT SHALL BE SPECIAL LIMITED OBLIGATIONS PAYABLE SOLELY FROM THE SOURCES PROVIDED IN THE RESOLUTION. NO OWNER SHALL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY TAXING POWER OF THE DISTRICT TO PAY THE SERIES 2024 BONDS OR THE INTEREST THEREON EXCEPT AS PROVIDED IN THE RESOLUTION, OR TO MAKE ANY OTHER PAYMENTS PROVIDED FOR IN THE RESOLUTION, OR BE ENTITLED TO PAYMENT OF SUCH PRINCIPAL AND INTEREST FROM ANY FUNDS OTHER THAN THOSE PLEDGED IN THE RESOLUTION FOR SUCH PURPOSE. THE SERIES 2024 BONDS SHALL NOT CONSTITUTE A LIEN UPON ANY OF THE REAL OR PERSONAL PROPERTY OF THE DISTRICT OTHER THAN THE TRUST ESTATE.

Pursuant to the Resolution, the Series 2024 Bonds are payable solely from, shall be secured solely by, and the District grants to the Owners of the Series 2024 Bonds a lien on and pledge of the Trust Estate. The Trust Estate is comprised of the Drainage Taxes and amounts held in the funds and accounts created under the Resolution, to the extent pledged to the Owners of the Series 2024 Bonds pursuant to the Resolution, subject to application as provided in the Resolution.

The Resolution contains certain restrictions on the District’s ability to issue additional Bonds in the future. Any such additional Bonds that are issued and Outstanding from time to time will be on a parity with the Series 2024 Bonds and any other additional Bonds, except that no Bonds of a series will have a lien on or right to payment from amounts in the funds and accounts established solely for any other series of Bonds. See “Additional Bonds” below for further information.

The District has covenanted in the Resolution to collect the Drainage Taxes levied upon the Assessable Real Property in Unit 1A in accordance with the Act in amounts, subject to the limitations set forth in the Master Resolution and the Act, sufficient, together with other legally available moneys of the District, if any, to pay the principal of, premium, if any, and interest on the Bonds, including the Series 2024 Bonds, and make provisions for any required deposits to the Reserve Fund as provided in the Master Resolution. As further described herein, however, Drainage Taxes, other than any portion thereof levied to pay interest on the Bonds, shall not exceed the amount of benefits assessed against the lands in Unit 1A pursuant to the Act. See “Assessment of Benefits and Levy of Drainage Taxes – Unit 1A and Drainage Taxes.”

The District has covenanted in the Master Resolution that until all of the Outstanding Bonds together with any interest thereon shall have been paid or provision made for their payment, it will not create or permit to be created any charge or lien on the Drainage Taxes or amounts in the funds and accounts created under the Master Resolution whether ranking prior to, equal with or subordinate to the charge or lien of the Bonds issued pursuant to the Master Resolution, including the Series 2024 Bonds.

Pursuant to the Master Resolution, a separate principal account and interest account may be created in the Bond Fund in connection with each series of Bonds pursuant to the related Supplemental Resolution. The Master Resolution also permits a separate account to be created in each of the other funds created by the Master Resolution in connection with each series of Bonds pursuant to the related Supplemental Resolution. Accordingly, the Award Resolution establishes (a) in the Costs of Issuance Fund, a Series 2024 Costs of Issuance Account, (b) in the Project Fund, a Series 2024 Project Account, (c) in the Bond Fund, a Series 2024 Interest Account and a Series 2024 Principal Account, and (d) in the Reserve Fund, a Series 2024 Reserve Account, all of which accounts are held solely for the benefit of the Series 2024 Bonds.

Assessment of Benefits and Levy of Drainage Taxes

In General. Among its other powers, the District is empowered to finance, construct, equip, operate, convey and accept surface water management and drainage systems, public water and sewer improvements and irrigation facilities. The District may undertake projects on a District-wide basis, or the Board may designate an area as a “unit of development” within which a particular project will be undertaken. In the event that the District determines to undertake a project, the Board is required to adopt a plan which describes the improvements to be constructed. This plan is commonly referred to as a “plan of improvements.”

Before the Board may adopt a plan of improvements, the Board is required to adopt a resolution to consider adopting the plan. After the resolution proposing the adoption of the plan has been filed with the District’s Secretary, the Board is required to conduct a public hearing on the proposed plan. At the conclusion of the hearing the Board must determine whether to proceed with the process for approval of the plan.

If the Board determines to proceed with a proposed plan, the District Engineer is required to prepare a final version of the plan and a report (the "Engineer's Report") that, among other things, determines the amount of benefits and the amount of damages that will accrue to any land from implementing the proposed plan, estimates the cost of the proposed plan and assesses the benefit to be derived from implementation of the plan to the land benefited thereby. The Engineer's Report also includes the plan. Once the Engineer's Report is filed with the Board, and after notice and an opportunity for comment as required by law, a public hearing is held by the Board at which time the Board considers whether the estimated cost of construction of the improvements described in the plan is less than the benefit to be derived therefrom. If the Board determines that the benefit is greater than the cost, then the Board may direct that a revision be made, if necessary, approve and confirm the Engineer's Report.

The approval of the Engineer's Report by the Board constitutes the approval of the plan and also establishes the amount and apportionment of the assessment of benefits derived from the implementation of the plan. The assessment of benefits so established is final and conclusive as to all land assessed unless within thirty days after approval of the Engineer's Report an action for relief is brought in a court of competent jurisdiction. Unless such action is commenced within such thirty-day period, then the assessment of benefits set forth in the Engineer's Report is final and non-appealable.

After the Engineer's Report and plan have been approved by the Board, the District is authorized to levy special assessments upon lands to which benefits have been assessed. These special assessments may be used to pay the cost of implementation of the plan, may be used to pay debt service on bonds issued to raise funds for such purpose or maintenance of its facilities, including the District's cost of operation.

When the District determines to impose special assessments upon benefited lands, the Board adopts a resolution to that effect. The Board is required to levy special assessments on all lands to which benefits have been assessed as may be found necessary by the Board to pay the cost of completion of the improvements shown in the plan, plus 10% of said total amount for contingencies. Furthermore, if bonds are to be issued, the amount of interest estimated by the Board to accrue on such bonds is added to the total amount of such special assessments. Therefore, the resolution levying special assessments when bonds are to be issued includes two components: first, a component of assessments sufficient to pay the principal of the bonds, and second a component of assessments sufficient to pay the interest on the bonds. The resolution levying special assessments sets forth the total amount of special assessments to be imposed for repayment of debt, and annually thereafter the Board collects an amount of such special assessments sufficient to pay the principal and interest on such bonds as have been issued as the same becomes due and payable. The District may levy special assessments on each benefited parcel in an amount not to exceed 100% of the benefits assessed thereto for the purpose of paying the principal of bonds, but the principal amount of bonds issued may not exceed 90% of the assessed benefits. There is no limit on the amount of non-ad valorem special assessments that may be levied for the purpose of paying interest on bonds.

In addition to special assessments levied to pay debt service on bonds, the District may levy annual assessments to maintain improvements described in a plan. These maintenance assessments may be, but are not ordinarily, pledged to pay debt service on bonds issued by the District. Any maintenance assessments with respect to Unit 1A are not part of the Drainage Taxes and are not pledged to pay principal or interest on the Bonds.

Unit 1A and the Drainage Taxes. At the written request of the owners at that time of all of the land therein, Unit 1A was established by the Board pursuant to resolutions adopted on June 23, 2021, August 4, 2021 and April 27, 2022.

On June 22, 2022, the Board adopted a resolution approving a plan for Unit 1A titled "Water Control Plan" (as amended and/or restated from time to time, the "Plan," or "Plan of Improvements") and the Report of Engineer for Unit 1A (as amended from time to time, the "Report of Engineer"). On October 13, 2022, the Board adopted a resolution approving the First Amended Water Control Plan, on June 28, 2023, the Board adopted a resolution approving the Second Amended Water Control Plan, and on January 24, 2024, the Board adopted a resolution approving the Amended and Restated Water Control Plan. As noted previously, the Plan of Improvements (as amended and restated) is reproduced in Appendix B. The Report of Engineer is reproduced herein in Appendix D.

The improvements that are being constructed with respect to Unit 1A pursuant to the Plan include but are not limited to water and sewer improvements, surface water management and drainage systems, and irrigation facilities. Further information concerning the Plan and the Project (of which the Series 2024 Project is a part) is contained herein under the caption "UNIT OF DEVELOPMENT NO. 1A AND THE PROJECT." The collective improvements described in the Plan are referred to herein as the "Improvements."

The Report of Engineer assesses benefits (and no damages) (sometimes referred to herein as the "Amount of Determined Benefit") to the Assessable Real Property within Unit 1A as a result of implementation of the Plan in the aggregate amount of \$252,615,000 (the "Benefit"). "Assessable Real Property" means real property located within Unit 1A which will receive benefits from the implementation of the Plan and which may be subject to the levy of Drainage Taxes by the District. No judicial action challenging the approval of the Report of Engineer was filed within the prescribed time, and the approval is therefore final and non-appealable.

By Resolution No. 2022-05, adopted June 22, 2022 (as amended from time to time, the "Tax Resolution"), the Board levied special assessments on all assessable land within Unit 1A to which benefits had been assessed for Improvements. The special assessment consists of two components.

The first component of the non-ad valorem special assessment (hereinafter referred to as the "Principal Component") is \$252,615,000, an amount equal to the Benefit. The District may levy installments of non-ad valorem special assessments in the aggregate amount of up to the Principal Portion to pay principal of Bonds, but the maximum principal amount of Bonds (other than

refunding bonds) that may be issued may not exceed 90% of the Principal Component. In calculating the foregoing limitation, Bonds that have been refunded are taken into account only to the extent of the principal amount thereof previously paid or to be paid from proceeds of non-ad valorem special assessments levied as part of the Principal Component. After the issuance of the Series 2024 Bonds, additional Bonds (exclusive of refunding bonds as described above), could lawfully be issued in the amount of \$227,353,500.00 minus the principal amount of the Series 2024 Bonds. However, after the issuance of the Series 2024 Bonds, the District does not anticipate issuing any additional Bonds to pay the cost of Improvements and the Resolution contains certain restrictions on the issuance of additional Bonds. See “Additional Bonds” below.

The second component of the non-ad valorem special assessment consists of the actual interest that accrues on the Bonds from their dates of issuance to the dates of final payment thereof, and is referred to herein as the “Interest Component.”

The District annually determines through its budgetary process the portion of the non-ad valorem special assessments that shall be levied in each year. The non-ad valorem special assessments lawfully levied pursuant to the Tax Resolution are referred to herein as the “Drainage Taxes.” All Drainage Taxes levied upon the lands within Unit 1A pursuant to the Tax Resolution secure the Bonds.

In addition to the Drainage Taxes, the District will also annually levy assessments on the Assessable Real Property in Unit 1A in order to maintain Improvements it owns and to fund the operation of the District, and these maintenance assessments are not pledged to the repayment of any of the Bonds. The maintenance assessments are allocated and apportioned in the same manner as the Drainage Taxes.

The District may in the future incur indebtedness secured and/or payable partially or wholly by special assessments other than the Drainage Taxes levied upon all or any portion of the land in Unit 1A in order to finance projects of the District other than the completion of the Plan of Improvements for Unit 1A. While the District has no plans to incur any such indebtedness in the foreseeable future and while any such indebtedness would not be payable from the Drainage Taxes, such special assessments could be imposed upon the same land in Unit 1A that is subject to the Drainage Taxes, and could further increase the amount of taxes and assessments to which such land is subject. For further information, see “SECURITY FOR THE SERIES 2024 BONDS - Projected Tax and Assessment Information for Unit 1A,” “THE DISTRICT - Future Financings,” “UNIT OF DEVELOPMENT NO. 1A AND THE PROJECT” and “OWNERS’ RISKS” herein.

Method of Apportionment of Drainage Taxes. The foregoing discussion has described the assessment of benefits and the levy of Drainage Taxes upon lands in Unit 1A on a Unit-wide basis.

The Report of Engineer provides that all Assessable Real Property within Unit 1A is equally benefited by construction of the Plan of Improvements, and therefore, the Drainage Taxes are apportioned uniformly upon the Assessable Real Property within Unit 1A on the basis of area,

except that each parcel that is less than one acre in size will be assessed as a full acre and each parcel of more than one acre that contains a fractional acre will be assessed as the nearest whole number of acres and a fraction of exactly one-half acre will be rounded up to the next higher whole number.

The allocation of the Benefit will change as Assessable Real Property in Unit 1A is subdivided and under other conditions, as described herein. Such changes shall be effective for the purposes of the District's assessments levied in a particular year based upon the data contained in the Unified Real Property Tax Roll of Martin County as of January 1 of such year. That is, changes due to new subdivisions of land by plat or other legal means that occur after January 1 of a year will not be taken into account in the levy of the District's assessments in such year, and will not be taken into account until the following year.

Tax Collection Procedures

The foregoing discussion has described the method by which the amount of Drainage Taxes to be levied upon Assessable Real Property in Unit 1A is determined. The following discussion describes the procedures relevant to the collection and enforcement of Drainage Taxes.

The District is required to comply with statutory procedures in levying Drainage Taxes. Although the District has never failed to levy any special assessment that it was obligated to levy, failure of the District to follow these procedures could result in the Drainage Taxes not being levied.

In Florida, counties, municipalities, school districts and various other special taxing districts are authorized to levy ad valorem taxes subject to certain limitations. Ad valorem taxes are generally levied upon real and personal property located within the jurisdiction of the taxing authority. The rate of ad valorem taxation is generally uniform for all properties subject to taxation by a particular taxing entity, and is generally expressed in terms of a "millage" rate. The "millage" rate refers to the amount of ad valorem taxes expressed in terms of dollars of taxes per thousand dollars of assessed valuation of property subject to taxation (i.e., one "mill" is one dollar of taxes per thousand dollars of assessed value).

Within each county there is a property appraiser, one function of which is to determine the assessed valuation of all property within the county subject to ad valorem taxes. Each taxing authority imposing ad valorem taxes annually determines its millage rate, which is then multiplied by the assessed value of taxable property to determine the amount of taxes due. In general, each taxing entity provides the property appraiser with information concerning the rate of taxation being imposed by such taxing entity. The property appraiser then prepares a tax roll listing, for all property to be subject to taxation, the amount of taxes due to the various taxing entities. The property appraiser then provides this tax roll to the county tax collector who is charged with responsibility for collection of the taxes due.

Although the Drainage Taxes are not ad valorem taxes, under Florida law non-ad valorem assessments, such as the Drainage Taxes, may be collected in the same manner as ad valorem

taxes if certain statutory procedures are followed. In order for the Drainage Taxes to be collected in the same manner as ad valorem taxes, among other things, the District must no later than August 1 of each year provide to the Martin County Property Appraiser the estimated assessment rate of the Drainage Taxes expressed in dollars and cents per unit of assessment, the associated assessment amount and the purpose of the assessment. Additionally, not later than September 15 of each year, the Board of Supervisors of the District must determine the annual amount of Drainage Taxes to be levied in Unit 1A and certify such Drainage Taxes on compatible electronic medium to the Martin County Tax Collector (the "Tax Collector"). The Drainage Taxes will then be enforced and collected by the Tax Collector in the same manner and at the same time as ad valorem taxes.

Upon receipt of the certified tax roll, the Tax Collector is required to mail to each taxpayer appearing on the tax roll a tax notice stating, among other things, the amount of current taxes, including the Drainage Taxes, if applicable, due from the taxpayer. In general, each taxpayer is required to pay all taxes shown in the tax notice without preference in payment of any particular increment of the tax bill, such as any increment owing for Drainage Taxes.

Florida law provides a procedure whereby a taxpayer may contest a "tax assessment." It is unclear whether this procedure applies to non ad valorem assessments such as the Drainage Taxes, and there are judicial decisions that support both views. Under the procedure, before a taxpayer may bring suit to contest a "tax assessment," the taxpayer must pay the amount of "tax" which the taxpayer admits in good faith to be owing. Upon making such payment, all procedures for the collection of the unpaid taxes are suspended until the suit is resolved. If the procedure applies to non ad valorem assessments such as the Drainage Taxes, then it is possible that as a result of a challenge to such assessments, the collection procedures described below could be held in abeyance until the challenge is resolved. This would result in a delay in the collection of the Drainage Taxes which could have a material and adverse effect upon the ability of the District to timely pay debt service on the Series 2024 Bonds. In addition to the foregoing, a taxpayer may pay the entire tax assessment, and such payment does not preclude the right of the taxpayer to bring a timely legal action to challenge all or a portion of such tax assessment and seek a refund.

Upon receipt of the taxes, the Tax Collector is required to forward the portion of such taxes, if any, as is attributable to Drainage Taxes to the District. To the extent that a landowner fails to pay such taxes, the successful implementation of tax collection procedures available to the Tax Collector and the District is essential to continued payment of principal of and interest on the Series 2024 Bonds.

The collection of delinquent taxes, including Drainage Taxes, upon real property is based upon the sale by the Tax Collector of "tax certificates" and remittance of the proceeds of such sale to the various governmental entities levying taxes for the payment of the taxes due. The demand for tax certificates is dependent upon various factors, including the interest which can be earned by ownership of such certificates and the value of the land which is the subject of such certificates and which, as described herein, may be subject to sale at the demand of the certificate holder. Therefore, the underlying market value of the land in Unit 1A may affect the demand for such

certificates and therefore the successful collection of the Drainage Taxes which are the source of payment of the Series 2024 Bonds.

Drainage Taxes are not a personal obligation of the owner of the land subject thereto, but are instead an imposition upon the land subject to the Drainage Taxes. The ultimate, and only, recourse for payment of Drainage Taxes is an action against the land. If proceedings against the land, including the statutory tax collection procedures described herein, do not result in the collection of funds sufficient to pay delinquent Drainage Taxes, the landowner may not be compelled to pay the deficiency. Therefore, the likelihood of collection of the Drainage Taxes may ultimately depend upon the market value of the land subject to taxation. While the ability of a landowner to pay Drainage Taxes is a relevant factor, the willingness of a landowner to pay the taxes, which may be affected by the value of the land subject to taxation, is also an important factor in the collection of Drainage Taxes. There is no necessary correlation between the assessed benefits to the property in Unit 1A, which is determined for the purpose of determining the maximum amount of Bonds that can be issued, and the fair market value thereof. The District has not commissioned any appraisal of the value of the real property in Unit 1A. Neither the District nor the Landowner makes any representation concerning the fair market value of the land in Unit 1A.

A landowner cannot be sued personally for failure to pay Drainage Taxes, but Drainage Taxes are a lien on the property against which they are assessed from January 1 of the year of assessment until paid or barred by operation of law (Statute of Limitations). The lien of the Drainage Taxes is of equal dignity with the liens for state and county taxes and other taxes which are of equal dignity upon land, and thus is a first lien, superior to all other liens including mortgages. Land owned by the State of Florida, including land owned by the County, is subject to the Drainage Taxes.

The statutes relating to the enforcement of ad valorem taxes (and also the Drainage Taxes) provide that such taxes become due and payable on November 1 of the year in which assessed or as soon thereafter as the certified tax roll is received by the Tax Collector. Depending upon the date of payment, taxpayers may receive a discount of up to 4% of the taxes levied by paying taxes prior to delinquency. In levying annual installments of Drainage Taxes, the District assumes that all taxpayers will pay in time to receive the full 4% discount. It is unclear under Florida law whether the 4% discount counts in determining whether the aggregate assessments of Drainage Taxes levied to pay principal on the Bonds exceeds the benefits assessed to the land in Unit 1A. However, since the principal amount of the Bonds may not exceed 90% of the benefits assessed, there is at least a 10% "cushion" between the maximum assessments authorized to be levied to pay principal and the maximum principal amount of the Bonds. If the 4% discount counts against the authorized amount of assessments, there would still be at least a 6% "cushion."

Florida law provides a method for prepayment of estimated taxes by installment. If this method is used, all taxes are payable at varying times prior to delinquency (as discussed in the following paragraph) and the taxpayer receives discounts ranging from 6% to zero. Prepayments of taxes are required to be invested by the tax collector, and such prepaid taxes and interest

earnings thereon are allocated among the various taxing authorities and paid to them at the same time as taxes which were not prepaid.

All taxes become delinquent on April 1 following the tax year in which they are assessed or immediately after sixty days have expired from the mailing of the original tax notice, whichever is later. The Tax Collector is required to collect taxes prior to the date of delinquency and to institute statutory procedures upon delinquency to collect assessed taxes. Delay in the mailing of tax notices to taxpayers results in a delay throughout the process.

In the event of a delinquency in the payment of taxes on real property, the tax collector is required to offer tax certificates on such property for sale to the person or entity who pays the delinquent taxes and interest and certain costs and charges relating thereto, and who accepts the lowest interest rate per annum to be borne by the certificates (which shall in no event be more than eighteen percent per annum). Delinquent taxes may be paid by a taxpayer prior to the date of sale of a tax certificate by the payment of such taxes, together with interest and all costs and charges relating thereto. Tax certificates are sold by public bid, and in case there are no bidders, the certificate is issued to the county in which the assessed lands are located, and the county, in such event, does not pay any consideration for such tax certificate. Under Florida Law, tax certificates may not be sold until at least sixty days after the taxes become delinquent. The tax collector does not collect any money from the county if the tax certificates are issued to the county. Proceeds from the sale of tax certificates are required to be used to pay taxes (including the Drainage Taxes, if applicable), interest, costs and charges on the land described in the certificate.

In the event a tax certificate is sold on property with delinquent Drainage Taxes, proceeds from the sale of the tax certificate will be sufficient to pay the delinquent Drainage Taxes as to that parcel. In the event that the Tax Collector is unable to sell a tax certificate, under Florida law, the District may possess a right to commence an independent action (similar to a judicial mortgage foreclosure) to foreclose the lien of the Drainage Taxes upon the affected land. Counsel to the District believes that while Florida law is unclear as to whether the District possesses such a right, a claim by the District on such a basis would not be without merit. However, no prediction can be made as to the likely outcome of any foreclosure action commenced by the District, and potential purchasers of the Series 2024 Bonds should not assume that the District has such an independent right of foreclosure.

While, as described above, upon the sale of a tax certificate delinquent taxes, including Drainage Taxes, are paid, the willingness of persons to purchase tax certificates may be affected by the rights inherent of ownership of a tax certificate. For that reason, the following discussion of the rights associated with ownership of a tax certificate is provided.

Tax certificates owned by a county may be purchased, and any tax certificate may be redeemed, in whole or in part, by any person or entity at any time before a tax deed is issued or the property is placed on the list of lands available for sale, at a price equal to the face amount of the tax certificate or portion thereof, together with all interest, costs, and charges due. The

proceeds of such a redemption are paid to the tax collector who transmits to the holder of the certificate such proceeds less a service charge, and the certificate is cancelled.

After an initial period ending two years from April 1 of the year of issuance of a certificate, the holder of a certificate may apply for a tax deed to the subject land. Any holder, other than the county, of a tax certificate which has not been redeemed has seven years from the date of issuance of the tax certificate during which to act against the land that is the subject of the tax certificate. The applicant is required to pay to the tax collector all amounts required to redeem or purchase all outstanding tax certificates not held by the applicant covering the land, any omitted taxes or delinquent taxes, current taxes, and interest, if due, covering the land. If the county holds a tax certificate and has not succeeded in selling it, the county must apply for a tax deed two years after April 1 of the year of issuance. 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. Any outstanding certificates will be satisfied from the proceeds received at such public sale.

In any such public sale, the private holder of the tax certificate who is seeking a tax deed is deemed to submit a minimum bid established by statute. The opening bid on a privately held tax certificate on non-homestead property includes, in addition to the amount of money paid to the tax collector by the certificate-holder at the time of application, the amount required to redeem the applicant's tax certificate and all other costs and fees paid by the applicant. The opening bid on county-held certificates on non-homestead property is the sum of the value of all outstanding certificates against the land, plus omitted years' taxes, delinquent taxes, interest, and all costs and fees paid by the county. The opening bid on property assessed on the latest tax roll as homestead property includes, in addition to the amount of money required for an opening bid on non-homestead property, an amount equal to one-half of the latest assessed value of the homestead. If there are no higher bidders, the holder receives title to the land and the amounts paid for the certificate and in applying for a tax deed are credited towards the purchase price. If there are higher bidders, the holder may enter the bidding. The highest bidder is awarded title to the land. The portion of proceeds of such sale needed to redeem the tax certificate (and all other amounts paid by such holder in applying for a tax deed), plus interest, 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), lienholders of record, mortgagees of record, vendees of recorded contracts of deeds, and other lienholders and any other person to whom the land was assessed on the tax roll for the year in which the land was assessed, all as their interests may appear.

If there are no bidders at the public sale, the county may, at any time within ninety days from the date of offering for public sale, purchase the land for a statutorily prescribed minimum bid. After ninety days have passed, any person or governmental unit may purchase the land by paying the amount of the minimum bid. Three years from the date of offering for public sale, unsold lands escheat to the county, and all tax certificates and liens, including the lien of the Drainage Taxes, if applicable, against the property are cancelled.

The issuance of a tax deed, in general, has the effect of canceling liens against or upon the property that is the subject of the tax deed, except for certain liens in favor of municipal or county government, and except for certain restrictions and covenants limiting the use of property, the type, character and location of buildings, covenants against nuisances and the like. Issuance of a tax deed, therefore, has the effect of canceling mortgages upon the affected property. For this reason (to prevent cancellation of the mortgage), under certain circumstances mortgagees may pay delinquent taxes on property upon which they hold a mortgage, but there is no requirement that mortgagees do so.

Projected Tax and Assessment Information for Unit 1A

District Unit 1A Assessments. Commencing in 2025 the District will levy Drainage Taxes in an amount intended to be sufficient to pay the debt service on the Series 2024 Bonds coming due on May 1, 2026 and November 1, 2026. Thereafter, in each year, the District will levy Drainages Taxes intended to be sufficient to pay the debt service on the Series 2024 Bonds coming due on May 1 and November 1 of the following year.

As noted previously, the District may also annually levy a Maintenance Assessment on the Assessable Real Property in Unit 1A in order to maintain the Improvements and to fund the operation of the District. There is no limitation on the amount of the Maintenance Assessments that could be levied in Unit 1A, other than a requirement that the Maintenance Assessments be used to maintain the Improvements and pay current expenses of the District allocable to Unit 1A. The Maintenance Assessments will be apportioned over the Assessable Real Property in Unit 1A in the same manner as Drainage Taxes. As completion of the Improvements and the development of Atlantic Fields progresses, the Maintenance Assessment will increase, although the ultimate annual level thereof cannot be predicted.

A portion of the proceeds of the Series 2024 Bonds are being deposited in the Series 2024 Interest Account of the Bond Fund in an amount calculated to be sufficient to pay the interest coming due on the Series 2024 Bonds from their date of issuance to and including November 1, 2025. Beginning in 2025, the District will levy Drainage Taxes intended to be sufficient to pay the debt service on the Series 2024 Bonds that will be coming due on May 1 and November 1 of the following year.

The Landowner has advised the District that it expects that ultimately all of the land in Unit 1A will have been subdivided in accordance with the table below. It is also projected by the Landowner that of the total acres in Unit 1A, portions will become Exempt Acres resulting in the approximate acreage of Assessable Real Property set forth in the table below. However, these are projections only and the actual figures will not be known until both the Project and the development of Atlantic Fields are complete. Based upon these assumptions and projections, the allocation of debt service on the Series 2024 Bonds, is currently estimated to be as set forth below.

<u>Lot Type</u>	<u>Number of Units</u>	<u>Aggregate Acres Assessable Real Property</u>	<u>Approximate Series 2024 Debt Service per Unit/Acre*</u>	<u>Approximate Aggregate Annual Series 2024 Debt Service</u>
<u>Recreational Amenities</u>				
Golf Course		234		
Private Amenities & Maintenance		177		
Polo Fields		<u>70</u>		
Sub-Total		481		
<u>Residential</u>				
Residential Lots	317	<u>458</u>		
Sub-Total		458		
TOTAL		<u>939</u>		

Further information concerning the projected level of Drainage Taxes as it relates to the products expected to be developed and sold within Atlantic Fields is set forth herein under the caption "ATLANTIC FIELDS - Fees and Assessments."

Other Assessments. As noted herein under the caption "THE DISTRICT – Future Financings," while no indebtedness of the District other than the Bonds may be secured by the Drainage Taxes, the District may incur indebtedness secured by and/or payable partially or wholly from special assessments other than the Drainage Taxes, which special assessments could be levied upon all or any portion of the land in Unit 1A, in order to finance future undertakings of the District. Thus, special assessments imposed by the District upon lands in Unit 1A could increase in the future. However, the District has no plans to incur any such indebtedness for the foreseeable future and the Resolution contains certain restrictions on the District's ability to issue additional Bonds. See "Additional Bonds" below.

Taxes and Assessments of Other Taxing Authorities. The land in Unit 1A has been and is expected to continue to be subject to taxes and assessments imposed by taxing authorities other than the District. Ad valorem taxes levied by other governmental entities upon lands within Unit 1A during the year 2023 were approximately \$16.6565 per thousand dollars of assessed value of taxable property. These taxes and special assessments levied by entities other than the District would be payable in addition to any Drainage Taxes and other special assessments levied by the District. Thus, for example, in addition to the Drainage Taxes and Maintenance Assessments, the owner of property having an assessed value (after exemptions) of \$1,000,000.00 would have been subject to ad valorem taxes of approximately \$16,656.00 for 2023. The District has no control over the level of ad valorem taxes and/or special assessments levied by other taxing authorities. However, exclusive of voter-approved millages levied for general obligation bonds, as to which no limit applies, and millages levied by the County for municipal services in unincorporated areas, Martin County and The School District of Martin County may each levy ad valorem taxes upon land in Unit 1A at rates not greater than \$10.00 per thousand dollars of assessed valuation. The approximate millages (exclusive of voted millages and MSTU millage) levied in 2023 by

Martin County and the School District were 6.6017 and 5.443, respectively. Other taxing entities that have jurisdiction over the land in Unit 1A may be subject to no legal tax or assessment rate limitation or to different tax or assessment rate limitations. Therefore, it is possible that in future years the taxes and assessments levied by these other entities could be substantially higher than in 2023.

Data Related to Assessed Value of Land in Unit 1A

According to the Martin County Property Appraiser's property assessments for 2024, as of January 1, 2023, the land in Unit 1A was comprised of 56 separate parcels having an aggregate assessed value of \$39,932,000. Under Florida law, the property appraiser is required to report the assessed valuation of taxable property as of January 1 of the year in question, and, therefore, the 2024 assessed valuations do not reflect any change in value or subdivision of the real property within Unit 1A after January 1, 2024. No representation can be made that the Property Appraiser's assessed valuation reflects the actual fair market value of the taxable property in Unit 1A.

In October, 2023, the Landowner purchased the land in Unit 1A from its former owner for \$89,100,000.

The District has not commissioned any appraisal of the value of the land in Unit 1A, and none of the District, the Landowner nor the Underwriter makes any representation as to what that value might be.

Series 2024 Reserve Account for Series 2024 Bonds

The Resolution establishes a Series 2024 Reserve Account in the Reserve Fund. The Series 2024 Reserve Account solely secures the Outstanding Series 2024 Bonds. Upon issuance of the Series 2024 Bonds, the Series 2024 Reserve Account will be funded with proceeds of the Series 2024 Bonds in an amount equal to the Reserve Fund Requirement for the Series 2024 Bonds, which is defined in the Resolution to mean (I) until the date Substantial Absorption has occurred, the least of (i) 10% of the original stated principal amount of Series 2024 Bonds Outstanding, (ii) the maximum amount of principal and interest scheduled to become due on the Outstanding Series 2024 Bonds in the current or any succeeding one year period ending on and including a May 1, or (iii) 125% of the average annual debt service on the Series 2024 Bonds Outstanding (calculated on a Bond Year basis at the time of issuance only) (the lesser of (i), (ii) and (iii) being the "Initial Requirement") and (II) after Substantial Absorption has occurred, the lesser of (i) the Initial Requirement and (ii) 50% of the maximum amount of principal and interest scheduled to become due on the Series 2024 Bonds Outstanding in the current or any succeeding one year period ending on and including a May 1. "Substantial Absorption" is defined in the Master Resolution to mean at least 90% of the residential lots subject to the Drainage Taxes (i) are owned by a Person other than a member of the Developer Group and (ii) have been improved by a residential dwelling which has received a certificate of occupancy from the applicable governmental entity having jurisdiction over the construction and occupancy of such dwelling. Whether Substantial Absorption has occurred shall be established by a written certification executed by the District

and provided to the Trustee, upon which the Trustee shall conclusively rely as establishing the existence of Substantial Absorption. Once Substantial Absorption has occurred, it is not subject to change.

Amounts in the Series 2024 Reserve Account of the Reserve Fund may be used by the District only to pay principal and interest on the Series 2024 Bonds to the extent amounts otherwise available therefor in the Bond Fund are insufficient for such purpose.

If at any time the amount on deposit in the Series 2024 Reserve Account is less than the Reserve Fund Requirement for the Series 2024 Bonds, the District has covenanted in the Resolution that such deficiency will be restored from the first Drainage Tax proceeds available therefore after all required current payments have been made into the Bond Fund, and the District shall, subject to the limitations set forth in the Act, levy Drainage Taxes sufficient to restore such deficiency at the earliest legal opportunity. If at any time there shall be a deficiency in more than one account in the Reserve Fund, funds available for deposit into the Reserve Fund shall be allocated among the accounts as to which the deficiency exists pro-rata, based upon the relative deficiencies among all such accounts.

As of the date of issuance of the Series 2024 Bonds, the amount on deposit in the Series 2024 Reserve Account of the Reserve Fund will equal \$_____, the initial Reserve Fund Requirement for the Series 2024 Bonds.

Additional Bonds

The Resolution provides that after the issuance of the Series 2024 Bonds, no additional Bonds may be issued except for (i) Bonds (“Refunding Bonds”) issued for the purpose of refinancing other Bonds (the “Refunded Bonds”) if, and only if, the refinancing results in a present value reduction in debt service as of the date of issuance of the Refunding Bonds, calculated by using the arbitrage yield on the Refunding Bonds as the discount rate, (ii) Bonds (the “New Bonds”) issued with the prior written consent of the Owners of a majority in principal amount of the Outstanding Bonds (not including the New Bonds) for the purpose of financing a portion of the Cost of the Project or (iii) Bonds issued after Substantial Absorption.

THE DISTRICT

General

The District is a water control district, which is an independent special district of the State of Florida, created by action of the Legislature of the State of Florida in 1988.

As a special district, the District has only those powers specifically delegated to it by the Legislature, or necessarily implied from powers specifically delegated to it. Among the powers of the District are the powers to reclaim the lands within its boundaries for water control and

water supply purposes and to protect the land within its boundaries from the effects of water by means of the construction and maintenance of canals, ditches, levees, dikes, pumping plants and other works and improvements. As of October 1, 2023, the District encompassed approximately 13,034.3 acres of land in the northeastern portion of Martin County, Florida.

The District is governed by a three-member Board of Supervisors (the “Board”). Each Supervisor holds office for a three-year term. Supervisors are elected in November of each year. The terms of offices of Supervisors are staggered, so that only one Supervisor is elected in any particular annual election. The Board meets periodically for the purpose of conducting the business of the District. The present members of the Board and their current terms of office are set forth below.

<u>Name</u>	<u>Position</u>	<u>Term Ends</u>
Rick Melchiori	President	June 2026
Ed Weinberg	Vice President	June 2024
Robert Brown	Assistant Secretary	June 2025

Administration

The District has no employees. The District has engaged Special District Services, Inc. to serve as District Manager; the District Manager tends to the day-to-day administrative needs of the District.

The law firm of Caldwell Pacetti Edwards Schoech & Viator LLP, West Palm Beach, Florida, is general counsel for the District, having served in that capacity since the District’s creation in 1988.

The Act provides that the District shall retain the services of a District Engineer who shall have control of the engineering work within the District and shall, among other things, file with certain Florida agencies a report outlining water control plans for the District and costs thereof. The District Engineer for the District is the firm of Higgins Engineering, Inc.

Improvement Projects

Under the Act the District may undertake District-wide projects, and in addition the Act provides that the owners of a majority of the acreage within a particular geographical area of the District may petition the Board to designate that portion of the District as a unit of development wherein improvements may be implemented.

The District may impose special assessments upon land benefitted by projects of the District, and the District may issue bonds payable from such assessments. If bonds are issued to finance improvements within a unit of development, only the lands within that particular unit are subject to the levy and collection of special assessments for the payment of principal and interest on the bonds issued for that unit of development. Units of development may overlap;

that is, the same land may be included in more than one unit of development. However, analytically and legally, each unit of development is a separate component of the District for the implementation and financing of District projects therein.

The District is responsible for the construction of all works to be undertaken pursuant to any plan of improvements, and for the maintenance of such works except in instances where improvements are conveyed to other governmental entities after completion. In addition to special assessments imposed to finance the completion of the improvements described in a plan of improvements, the District levies annual installments of maintenance taxes on the lands in each unit of development in proportion to the benefits assessed to each assessable parcel therein to pay for the ongoing maintenance of District improvements and administrative costs. There is no limit on the amount of such maintenance taxes.

The District is obligated to complete a water management plan once adopted, but the District is also authorized to amend an adopted plan of improvements. Amendments to the plan for any of the Units may be made without consent of the owners of any bonds. There are several alternative methods for amending a plan of improvements, but in no event may an amendment have the effect of reducing the amount of Drainage Taxes that could be levied with respect to any bonds.

Future Financings

The audited financial statements, of the District for the fiscal year ended September 30, 2022 are included herein as Appendix E. The Series 2024 Bonds are payable solely from the Drainage Taxes levied in Unit 1A, and not from any other source, and any financial information contained in Appendix E other than information concerning Unit 1A, may not bear upon the value or likelihood of repayment of the principal of and interest on the Series 2024 Bonds.

The District has not previously issued any bonds or indebtedness.

The District does not anticipate issuing bonds or incurring other forms of indebtedness to obtain funds to undertake other projects for units of development other than Unit 1A. However, if any such bonds or indebtedness were issued or incurred for other units of development, they would not in any manner be secured by the Drainage Taxes assessed and collected for the benefit of the Owners of the Series 2024 Bonds. However, such bonds and/or indebtedness could be payable from special assessments (other than the Drainage Taxes) levied by the District upon lands wholly or partially within Unit 1A, although the District has no plans to issue any such bonds or to incur any such indebtedness in the foreseeable future. See "SECURITY FOR THE SERIES 2024 BONDS – Additional Bonds."

UNIT OF DEVELOPMENT NO. 1A AND THE PROJECT

On June 22, 2022, the Board approved the Water Control Plan, as amended and restated, and the Report of Engineer, as amended, for Unit 1A (as previously defined). Reference is made to “APPENDIX B” for a complete description of the matters summarized under this caption.

The Plan of Improvements for Unit 1A (as more fully defined in the Master Resolution, the “Project”) is estimated to cost approximately \$165.2 million and primarily consists of irrigation facilities, water management and drainage systems including a system of lakes and pipe structures, outfall and discharge control structures, and conveyance system improvements along the eastern property line of the Development bordering the Atlantic Ridge Preserve State Park. An enumeration of the costs of the Project is provided in the table below.

Infrastructure	Total
Mobilization	\$ 956,000
Erosion Control	89,357
Clear Grub and Burn	3,771,000
Strip Site and Use in Green Area	2,448,000
Excavation	30,100,000
Embankment	19,250,000
Grade Lots +/- 2	2,970,000
Rough Grade	3,568,500
Grade Wetland Restoration Area	1,190,000
Finish Grade	729,851
Sewer (40%)	30,000,000
Drainage (40%)	30,000,000
Water (20%)	15,000,000
Landscaping	5,600,000
Dewatering	4,500,000
Dewatering	4,500,000
Contingency (10%)	15,017,271
Total	\$165,189,979

Proceeds of the Series 2024 Bonds will only fund costs related to the design, installation, acquisition and/or construction of the portion of the Project comprised of lakes, water utilities, sewer utilities, drainage, and associated contingency, as described in the certificate of the District Engineer attached to the Award Resolution, which is estimated to cost approximately \$82.6 million (such portion of the Project being referred to herein as the “Series 2024 Project”). Proceeds of the Series 2024 Bonds are estimated to fund approximately \$50.0* million of the Series 2024 Project. The remainder of the Project not funded with proceeds of the Series 2024 Bonds has and will continue to be funded by the Landowner.

The Landowner currently estimates the development budget at \$425 million, which includes costs allocable to recreational facilities in the approximate amount of \$190 million and

\$235 million of development-related expenditures. To date, the Landowner estimates it has expended approximately \$75 million towards total development costs.

At the time of issuance of the Series 2024 Bonds, the Landowner and the District will enter into the Landowner's Agreement whereby the Landowner will agree to complete those portions of the Project that have not previously been completed. The District cannot make any representation that the Landowner will have sufficient funds to complete the Project. See "BONDOWNERS' RISKS – The Project Might Not Be Completed" herein.

Distinction Between the Project and Atlantic Fields

Although the implementation by the District of the Plan of Improvements will benefit the land in Unit 1A and facilitate further development of Atlantic Fields, the District is not responsible for completion of Atlantic Fields. References in this Limited Offering Memorandum to the Project include only the "Improvements" described in the Plan of Improvements, and, conversely, references to Atlantic Fields do not include the "Improvements" to be implemented by the District, but rather include only the other improvements to the land within Unit 1A to be undertaken by or at the direction of the Landowner/Developer or subsequent owners of land within Unit 1A. Proceeds of the Series 2024 Bonds will only fund the Series 2024 Project and no proceeds of the Series 2024 Bonds have been or will be expended on the construction of these other improvements and no part of Atlantic Fields will directly secure payment of the Series 2024 Bonds, either by mortgage, pledge or otherwise, except that all Assessable Real Property within Unit 1A will be subject to the lien of the Drainage Taxes.

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ESTIMATED SOURCES AND USES OF FUNDS

The following table sets forth the estimated sources and uses of proceeds of the Series 2024 Bonds:

Sources of Funds:

Series 2024 Bond Par Amount	\$
Original Issue Discount/Premium	
Total Sources	

Uses of Funds:

Deposit to Series 2024 Project Account of Project Fund	\$
Deposit to Series 2024 Reserve Account of Reserve Fund ⁽¹⁾	
Deposit to Series 2024 Interest Account of Bond Fund ⁽²⁾	
Issuance Costs and Contingencies ⁽³⁾	
Total Uses	

⁽¹⁾ Deposit necessary to cause amount in such Account to equal the Reserve Fund Requirement for the Series 2024 Bonds.

⁽²⁾ An amount sufficient to pay interest on the Series 2024 Bonds through November 1, 2025.

⁽³⁾ Includes Underwriter's discount, financial advisory and legal fees and other issuance costs.

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SCHEDULE OF DEBT SERVICE REQUIREMENTS

The following schedule shows the debt service requirements for the Series 2024 Bonds:

Twelve Months Ending <u>November 1</u>	Series 2024 <u>Interest</u>	Series 2024 <u>Principal</u>	<u>Total Debt</u> <u>Service</u>
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Total			\$
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THE LANDOWNER AND DEVELOPER

In October 2023, Discovery Hobe Sound Investors, LLC, a Delaware limited liability company (as previously defined, the “Landowner”), purchased the approximately 1,530 acres constituting the Development from Becker B-14 Grove, LTD, a Florida limited partnership, and Hobe Sound Equestrian, LLC., a Florida limited liability company, each an affiliate of Becker Holding Corporation (together, the “Seller”). See “DEVELOPMENT – Land Acquisition and Development Financing” herein.

Becker Holding Corporation originally acquired the first of over 15,000 acres spanning Martin, St. Lucie and Indian River Counties in the early 1950’s for its citrus and other agricultural businesses. Since then, their agricultural operations have expanded to include an 800-acre state-of-the-art tree farm and nursery known as Becker Tree Farm. Today, 1,530 acres of the lands in Martin County are now positioned for development of the Atlantic Fields community.

It is currently the intent of the Landowner to own the lands constituting the Development with development thereof to be undertaken by Atlantic Fields Development, LLC, a Delaware limited liability company (the “Developer”).

The Landowner is the sole member of the Developer. Further, the majority membership interests of the Landowner are owned by affiliated entities of the Discovery Land Company. Discovery Land Company is a U.S. based real estate developer and operator of private residential club communities and resorts with a world-renowned portfolio of domestic and international properties. Founded in 1994, the company has a renowned portfolio of more than thirty (30) private clubs, including those listed below.

Club	Location
Zapotal Beach Club	Guanacaste, Costa Rica
North Shore Preserve	Island of Kauai, Hawaii
James Island	Vancouver, British Columbia
Costateerra Golf & Ocean Club	Comporta, Portugal
Barbuda Ocean Club	Barbuda, West Indies
Driftwood Golf & Ranch Club	Austin, Texas
Troubadour Golf & Field Club	Nashville, Tennessee
Playa Grande Golf & Ocean Club	Rio San Juan, Dominican Republic
Chileno Bat Golf & Ocean Club	Los Cabos, Nevada
The Summit Club	Las Vegas, Nevada
Dune Deck Beach Club	Westhampton Beach, New York
Silo Ridge Field Club	Amenia, New York
Makena Golf & Beach Club	Maui, Hawaii
Yellowstone Club	Big Sky, Montana

Club	Location
Gozzer Ranch Golf & Lake Club	Coeur d’ Alene Idaho
El Dorado Golf & Beach Club	Los Cabos, Mexico
The Madison Club	La Quinta, California
Baker’s Bay Golf & Ocean Club	Great Guana Cay, Bahamas
Hideaway Golf Club	La Quinta, California
Mountaintop Golf & Lake Club	Cashiers, North Carolina
Mirabel Golf Club	Scottsdale, Arizona
Kuki’O Golf & Beach Club	Kohala, Hawaii
Vaquero Golf Club	Dallas, Texas
Iron Horse Golf Club	Whitefish, Montana
Cordevalle Golf Club & Lodge	Silicon Valley, California
The Estancia Club	Scottsdale, Arizona
The Dunes	Dubai, UAE

ATLANTIC FIELDS

Responsibility for Information

The information contained herein with respect to Atlantic Fields, the Landowner and the Developer is not intended as, and may not be construed as representations by the District or the Underwriter. Except to the limited extent provided in the Landowner's Agreement with respect to the matters that are the subject thereof, the District does not have the right to control the actions of the Landowner or Developer.

The information contained in this Limited Offering Memorandum, other than the information herein under the captions "THE LANDOWNER AND DEVELOPER," "ATLANTIC FIELDS," "LITIGATION - The Landowner" and the information relating to the Landowner, Developer and Atlantic Fields in Appendix C, are not intended as, and may not be construed as representations by the Landowner or Developer.

The following information under this caption "ATLANTIC FIELDS" has been prepared with the assistance of, and has been reviewed and approved by the Landowner and Developer. Certain of the following information is beyond the direct knowledge of the District, and while the District has taken steps to verify the accuracy and completeness of the following, and has no reason to believe that the following information is incorrect or incomplete, the District has no way of guaranteeing the accuracy of the information contained herein under the captions "THE LANDOWNER AND DEVELOPER," "ATLANTIC FIELDS" or "LITIGATION - The Landowner." Therefore, the following is included in part in reliance upon the representation of the Landowner to the effect that it has reviewed this Limited Offering Memorandum, and that it warrants and represents that the information herein under the captions "THE LANDOWNER AND DEVELOPER," "ATLANTIC FIELDS," "LITIGATION-The Landowner" and the information relating to the Landowner, Developer and Atlantic Fields in Appendix C does not contain any untrue statement of a material fact and does not omit to state any material fact necessary in order to make the statements made herein, in the light of the circumstances under which they are made, not misleading. No person other than the Landowner makes any representation or warranty as to the accuracy or completeness of such information.

Nonrecourse Obligations

The Series 2024 Bonds are secured solely by the Trust Estate, and the Series 2024 Bonds are not an obligation of, and are in no way guaranteed by the Landowner or any of its direct or indirect owners, managers, members, affiliates or subsidiaries.

The Landowner (as is the case with all landowners) has no obligation to pay the Drainage Taxes. Recourse for the nonpayment of Drainage Taxes is limited to the land that is subject thereto, as described elsewhere herein. See "SECURITY FOR THE SERIES 2024 BONDS - Tax Collection Procedures" for further information.

Overview

Atlantic Fields (also referred to herein as the “Development”) is an approximately 1,530-acre luxury golf course community located in Hobe Sound, Martin County, Florida. The boundaries of Unit 1A and the Development are largely co-terminus. Situated on the site of the world-renowned Hobe Sound Polo Club, the Development is currently planned to include 317 luxury homes built around high-quality amenities and preserved lands.

The Development is bordered to the south by Southeast Bridge Road and abuts Michael Jordan’s Grove XXIII exclusive golf club to the north (which is also included within the District) and the 5,800-acre Atlantic Ridge Preserve State Park to the east and northeast. The Development’s main entrance is located on Southeast Bridge Road, approximately one (1) mile east of Interstate 95. The Development is approximately twelve (12) miles west of Jupiter Island, thirty (30) miles north of West Palm Beach and ninety (90) miles north of downtown Miami. Shopping and entertainment can be found in these cities and the nearby beaches of Jupiter Island and West Palm Beach are less than a twenty (20) minute and forty-five (45) minute drive, respectively. Further, Palm Beach International Airport is approximately thirty-three (33) miles south of the Development.

The Development is being developed by Atlantic Fields Development, LLC, a Delaware limited liability company (as previously defined, the “Developer”) and an affiliated entity of Discovery Land Company, one of the world’s leading developers of distinctive, family-oriented private communities throughout North America, Europe, and the Middle East.

Designed as a gated private club and community, the Development is planned to include approximately 317 luxury homes on 460 acres, surrounded by over 1,000 acres of natural lands planned for an 18-hole championship golf course designed by world-renowned architect Tom Fazio, a 10-hole “short” golf course, additional high-quality amenities and open space. The community has been designed to offer a diverse range of residential offerings, including custom estate homesites, developer-built homes, cottages and club suites, each clustered around the Development’s collection of amenity, health and wellness and restorative experiences. With specific focus on conserving the natural environment and evoking an outdoor lifestyle with access to exclusive amenities, homesites will range in size from one-half to up to six (6) acres and start at a price of more than \$5 million.

Featuring an 18-hole and 10-hole “short” golf course by local South Florida legend Tom Fazio, the Development has been designed to offer high-quality amenities including a world class equestrian center, state-of-the-art spa and well-being center, family park and adventure center, organic farm and outstanding culinary programs with true farm-to-table dining experiences. The hilltop Club Village has been designed as a centerpiece amenity in the community that will provide expansive views of the golf course, lakes and open space within the Development. Further, the Development has been designed to offer an extensive trail network and access to Atlantic Ridge Preserve State Park that will provide for the exploration of wetlands, uplands, and wildlife habitats, ideal for equestrian, hiking, and biking enthusiasts.

More information on Atlantic Fields can be found by visiting <https://www.atlanticfieldsclub.com> and <https://discoverylandco.com/>.

Land Acquisition and Development Financing

The Landowner acquired the approximately 1,530 acres constituting the Development from Becker B-14 Grove, LTD, a Florida limited partnership, and Hobe Sound Equestrian, LLC., a Delaware limited liability company (together, as previously defined, the “Seller”) in October 2023. The acquisition of the lands was effectuated via a purchase money note and purchase money mortgage in favor of the Seller, as further described below. Further, as described herein, pursuant to the purchase and sale agreement (the “Purchase Agreement”), the Seller is further entitled to a participation interest in the Development.

Concurrently with the purchase of the lands constituting the Development, the Landowner entered into a loan agreement (the “Loan Agreement”) with the Seller pertaining to a loan in the approximate amount of \$89.1 million (the “Land Acquisition Loan”) for the purchase of such lands. The Land Acquisition Loan is interest free for the first ten (10) years and thereafter the unpaid principal balance accrues interest at 5% per annum, paid quarterly, until the final maturity date of October 2043. The principal amount of the Land Acquisition Loan is to be paid over the course of the sale of the 317 entitled units in the Development. Except for the first twenty (20) entitled units, a principal payment of \$300,000 shall be paid on the closing date of each entitled unit to a third-party purchaser. As of January 31, 2024, the outstanding balance of the Land Acquisition Loan was approximately \$89.1 million.

The Land Acquisition Loan is secured by a mortgage, assignment of rent and leases, security agreement and fixture filing (the “Mortgage”) which provides for, among other things, a mortgage lien on the land within the Development owned by the Landowner. The Loan Agreement provides for partial releases from the Mortgage as property subject thereto is sold.

Pursuant to the Purchase Agreement, as a consideration for the Seller’s obligation to entitle the Development, the Landowner entered into a participation agreement (the “Participation Agreement”) providing the Seller with a retained interest in the Development, which sum is in addition to and not part of the purchase price paid for the acquisition of the lands constituting the Development. Pursuant to the Participation Agreement, the Seller shall retain a passive right to receive a portion of the Landowner’s proceeds, in proportion to a \$3.0 million equity interest, with respect to the close of the first twenty (20) entitled units to third-party purchasers. In no event shall such cash distributions (the “Equity Distribution”) result in a greater than six (6%) equity interest in the Development. In addition to the Equity Distribution, the Seller is further entitled to a \$3.0 million participation distribution on the close of the 200th entitled unit.

As indicated herein, work on the Unit 1A Plan Improvements is underway. In addition to the proceeds of the Series 2024 Bonds, the Landowner intends to utilize equity contributions to fund the remaining development expenditures related to the Development.

Entitlements/Zoning

All of the land in the Development, consisting of approximately 1,530-acres, has a current underlying land use designation of Rural Lifestyle, generally permitting rural communities with an emphasis on maintaining and enhancing open space and protecting land and water. Consistent with its “Rural Lifestyle” land-use designation, development of the property comprising the Development will be undertaken in accordance with the planned unit development zoning agreement dated September 2023, as amended most recently in September 2023 (the “Atlantic Fields PUD”).

The Atlantic Fields PUD includes conditions that address public facilities, infrastructure and the timing of development to be undertaken prior to or concurrent with final site plan approval. Certain conditions of the Atlantic Fields PUD are summarized below.

- Land-Use. The Atlantic Fields PUD contemplates that the lands within the Development will be developed pursuant to a master site plan (the “MSP”). The MSP establishes plan details, including, but not limited to, the development of a maximum of 317 residential units and eighteen (18) golf cottages on approximately 460 acres. The remaining lands within Development have been designated for permanent recreation, agricultural preservation, and open-space conservation, meeting the required minimum set aside of 70% of gross acreage for such land uses. The information appearing in the table below illustrates the proposed land uses approved in the MSP.

Land Use	Total (Acres)	% Total
Residential Lots	457.81	30%
Golf Course	233.78	15%
Local and Spine Roads	126.34	8%
Lakes	196.01	13%
Lake Banks	23.24	1%
Private Amenities & Maintenance	176.94	12%
Polo Fields	70.11	5%
Habitat Restoration Area	124.34	8%
Donated State Park Public Access and Facilities	11.51	<1%
Perimeter Buffers	31.42	2%
Open Space	79.39	5%

Timetable for Development. The lands in the Development are intended to be developed on a phased basis and consistent with the timetable for development set forth in the Atlantic Fields PUD. The Atlantic Fields PUD sets forth four (4) phases of build-out. Final site plan approval for all phases must be obtained within five (5) years of approval of the MSP. Construction of each phase must commence within two (2) years and be completed within three (3) years of each final site plan approval. Further, construction within the Development of all infrastructure must be completed within seven (7) years of approval of the MSP. As indicated herein, the Developer received final site approval for Phase 1B in October 2023 and work on such phase of development has commenced. The Developer has submitted for final site plan approval for the remaining phases of Development which is anticipated to be obtained by the

first quarter of 2024. In addition, the Developer has applied for and anticipates receiving final plat approval from the County for the remaining planned phases in the Development in the second quarter of 2024.

The following are the phases to be constructed and the time period, after the date of the approval of the Atlantic Fields PUD, within which final site plan approval must be obtained for each phase.:

Phase I — August 31, 2025

Phase 1A: Expansion of existing polo and equestrian club support facilities including improvements to existing buildings and structures, shade cabana structures for event viewing, improved parking and access from existing SE Polo Drive (changed to SE Discovery Drive).

Phase 1B: All clearing, lake construction and site excavation and grading activities including golf course and residential areas, drainageways, lake interconnections, lake littoral zones, upland transition areas and habitat restoration area. Construction of 18-hole golf course; Donation of Hobe Sound train station to Martin County. (*County finalizing site plan*)

Note: *Existing SE Polo Drive to SE BlackCat Way (Grove XXIII Golf Club) shall remain in place until paved temporary alternative access is constructed and certified complete by Martin County.*

Phase 1C: Golf maintenance facilities including construction of permanent access from Bridge Road, parking and loading areas, maintenance buildings, required landscaping and supporting utilities and drainage improvements (Existing 50' buffer along Bridge Road to remain as part of required landscaping).

Phase 2 — September 1, 2026

Phase 2A: Construction of private roads including eastern spine road loop from existing SE Discovery Drive (fka SE Polo Drive) to SE BlackCat Way; Construction and donation of State Park access road and related facilities; Construction of all residential pods (317 lots) and future development tracts including supporting roads, sidewalks, trails and connection to regional water and wastewater treatment facilities. Installation of a traffic signal at the intersection of Bridge Road and the project entrance, i.e., SE Discovery Drive (fka SE Polo Drive).

Phase 2B: Construction of short course golf area, organic farm facilities, permanent farm maintenance and composting facilities, equestrian recreation tract, temporary

sales area; golf practice and teaching facilities, golf shelters and halfway facilities, temporary clubhouse facilities for short course and 18-hole golf course, temporary golf maintenance facilities including supporting roads, parking, sidewalks, trails, utilities and required landscaping.

Phase 3 — September 1, 2027

Phase 3A: Construction of infrastructure for up to 18 golf cottages; permanent short course clubhouse facilities including supporting roads, parking, sidewalks, trails, utilities and required landscaping.

Phase 3B: Construction of main golf and lake clubhouse and performance/practice facilities including supporting roads, parking, sidewalks, trails, utilities and required landscaping.

Phase 4 — September 1, 2028

Phase 4: Construction of kid's club and sports park including supporting roads, parking, sidewalks, trails, utilities and required landscaping.

Construction of each phase shall be completed within three (3) years after the date the phase received final site plan approval.

Transportation. The Atlantic Fields PUD stipulates that a traffic signal at the intersection of Southeast Bridge Road and the entrance of the Development must be designed, permitted, and installed prior to the issuance of the twentieth (20th) certificate of occupancy for a residential unit in Phase 2A.

Public Benefits. The Atlantic Fields PUD requires the following public benefits:

- Within thirty-six (36) months of final site plan approval for Phase 1B, the restoration of approximately 124 acres of natural land located adjacent to the Atlantic Ridge Preserve State Park, including the reconstruction of a historic slough that will enhance overall drainage basin, shall be completed.
- The Becker Tree Farm, comprising approximately 800 acres, shall be placed into a permanent agricultural easement, restricting the future land use for such lands to agricultural purposes only. (*Process underway*)
- A new public-access road to the Atlantic Ridge State Park located along the eastern boundary of the Development shall be constructed, providing additional access to the 5,800-acre preserve. Further the existing stable facility, including stables, air-conditioned bathrooms, meeting and kitchen facilities will be donated to the State of Florida to accommodate horseback riders as well as the general public visiting the park.

The total acreage conveyed, including the existing facilities and public access easement, shall equal twenty-five (25) acres.

- A donation of the Hobe Sound Train Station to Martin County shall occur within sixty (60) days of Phase 1B final site plan approval. (*County finalizing site plan*)
- The Development will also provide for enhanced water quality for on-site and offsite property; a mix of transportation alternatives, including Tesla EV charging stations, shuttle services and cart charging barns, to minimize greenhouse gas emissions; and self-supporting project elements, such as recreational amenities and community stores, to reduce traffic impact within the area.

Permitting

The Developer has obtained permits from the South Florida Water Management District for stormwater management and irrigation for the entire Development.

In addition to the permits described above, to date, final site plan approval for Phase 1B has been obtained and work in such phase is underway. Further the Developer has applied for and anticipates final site plan approval for all 317 residential lots in the Development to be obtained from the County by the first quarter of 2024. In addition, all 317 lots in the Development are anticipated to be fully platted by the second quarter of 2024.

Upon issuance of the Series 2024 Bonds, the Consulting Engineer will certify that all permits and approvals not previously obtained are expected to be obtained in the ordinary course of business.

Environmental

In 2023, a Phase 1 Environmental Site Assessment was commissioned for all of the lands in the Development from Universal Engineering Sciences (the "Phase 1 ESA"). The Phase 1 ESA revealed no evidence of environmentally recognized conditions.

Utilities

South Martin Regional Utility ("SMRU") will provide water and wastewater services to the Development. The ability of the South Martin Regional Utility to provide adequate water and wastewater capacity to the Development is conditioned on the Developer's construction of all on-site and offsite utility infrastructure and the payment of \$7.5 million in connection fees and charges which has been paid.

Electric power is being provided by Florida Power & Light ("FPL"). Telephone, internet and cable are being provided by NextCity Networks.

Development Status

As previously stated, development activities in the Development are underway, including development of Unit 1A Plan Improvements primarily consisting of mass grading and master drainage work. Such work is being undertaken as part of the Development's Phase 1B, for which final site approval has been obtained. In addition, as part of the site excavation and grading activities, development work is underway on the eastern spine road loop known as Southeast Atlantic Fields Road and the western spine road loop known Southeast Thoroughbred Road, which together will provide immediate access to all residential and recreational opportunities located throughout the Development. Further, the Developer has applied for and anticipates final site plan approval to be obtained by the County for all remaining planned residential lots in the Development by the first quarter of 2024 and final plat approval to be obtained by the second quarter of 2024.

As previously indicated, development activities for certain of the Development's golf amenities have commenced. The ten (10) hole "short" course was completed and in the fourth quarter of 2023 it is anticipated that the Tom Fazio eighteen (18) hole championship golf course will be completed by the first quarter of 2025. The balance of the amenities is anticipated to be constructed in subsequent phases on a continued basis.

Residential Offerings

Atlantic Fields is being marketed as an exclusive members-only residential community that will feature 317 homesites spread across the 1,530 acres in the Development. The Development will offer a variety of residential offerings to suit individual and lifestyle needs, including custom estate homesites, developer-built homes, cottages and club suites. Each collection of homes will be clustered around the Development's expansive outdoor environment and unique amenities, dividing the community into various sections including: the Preserve and Atlantic Ridge Estates, Equestrian Estates, the Golf and Western Estate Homes and the Cottage and Lake Homes. To maintain the integrity of the community, each homesite will be developed in accordance with the Development's Design Guidelines which provides specific criteria for the community's design theme, quality of design, and overall aesthetic experience and value. Further, the Developer has partnered with Olson Kundig, one of the world's most innovative architectural firms, to create a contemporary design aesthetic for the Development. Homesites range in size from one-third to up to six (6) acres and are currently being offered at prices starting from \$4+ million.

As of February 29, 2024, the Landowner has entered into lot reservation agreements with retail buyers for the purchase of seventy-seven (77) of the 317 homesites at an average lot price of approximately \$6 million. Pursuant to the lot reservations, each retail buyer is required to make a reservation deposit of \$3 million, of which \$200,000 of such deposit will be applied to the club membership fee with the remaining credited to the lot purchase. Based on the homesites reserved to date, a total deposit of \$202 million has been released to the Developer. It is

anticipated that reserved lots will be available for sale upon receipt of final plat approval which is anticipated to occur in the second quarter of 2024.

Provided below is certain information pertaining to the referenced residential offerings.

Preserve and Atlantic Ridge Estates

Located in the northwest portion of the Development, the Preserve and Atlantic Ridge Estates have been designed to offer thirty (30) custom estate homesites tucked alongside 124 acres of restored natural area in the Development. The homesites are sized from approximately one (1) to six (6) acres providing ample room for private living options with direct access to the recreational experiences offered in the Development. Lot prices for the Preserve and Atlantic Ridge Estates are anticipated to start at \$15 million.

Development of Preserve and Atlantic Ridge Estates homesites has commenced and includes, without limitation, mass grading and drainage work. As of February 29, 2024, approximately six (6) homesite reservations had occurred since pre-sale activities commenced in 2023 and sell-out is anticipated to occur over an approximately ten (10) year period.

Equestrian Estates

Located adjacent to the Hobe Sound Polo Club at the southeast corner of the Development, the Equestrian Estates have been designed to offer sixteen (16) custom estate homesites for equine enthusiasts. The homesites are sized from approximately two (2) to four (4) acres with room for private stables and groom's quarters to be built on-site. These homes will also have direct access to the planned world-class equestrian facilities in the Development as well as a network of horse trails located throughout the community and in the adjacent Atlantic Ridge State Park. Lot prices for the Equestrian Estates are anticipated to start at \$13 million.

Development of all sixteen (16) custom estate homesites has commenced and includes, without limitation, mass grading and drainage work. As of February 29, 2024, approximately 1 (one) homesite reservation had occurred since pre-sale activities commenced in 2023 and sell-out is anticipated to occur over an approximately ten (10) year period.

Golf and Western Estate Homes

The Development is currently planned to include 149 homesites located near the planned 18-hole Tom Fazio golf course. The homesites are sized from 130' to 175' feet in front width at approximately one (1) to one and one half (1.5) acres. Retail buyers may choose to build a fully custom home or choose from one (1) of seven (7) designed product lines offered through Discovery Builders, the Developer's homebuilding affiliate. The Discovery Builder's floor plans offer retail buyers a streamlined building process while allowing some customizations. Lot prices for the Golf and Western Estate Estates are anticipated to range from \$8 million to \$12.25 million.

Development of Golf and Western Estate homesites has commenced and includes, without limitation, mass grading and utility work. As of February 29, 2024, approximately

thirty-two (32) homesite reservations had occurred since pre-sale activities commenced in 2023 and sell-out is anticipated to occur over an approximately ten (10) year period.

Cottage and Lake Homes

Clustered near the planned Lake Club and Adventure Center, the Development has been designed to include 122 developer-built cottages and lake homes. Designed and built by Discovery Builders, the cottages and lake homes are available on lots between one-half (1/2) to just over one (1) acre in size and ranging from 3,500 to 6,000 square feet. The Discovery Builders' model floor plans offer retail buyers a turnkey experience with limited customizations. Lot prices for the cottages and lake homes are anticipated to range from \$5 million to \$7 million.

Development of cottage and lake homesites had commenced and includes, without limitation, mass grading and utility work. As of February 29, 2024, approximately thirty-eight (38) homesite reservations had occurred since pre-sale activities commenced in 2023 and sell-out is anticipated to occur over an approximately ten (10) year period.

Absorption/Lot Sales

Pre-sale activities for homesites within the Development commenced in 2023. As of February 29, 2024, the Landowner had entered into reservation agreements with retail buyers for the purchase of seventy-seven (77) of the 317 homesites. The information in the below table illustrates the current development and lot reservation summary for the residential lot offerings in the Development, which information is subject to change.

Product Type	Estimated Avg. Lot		Units	% of Total		Lot Reservations to Date
	Pricing	Size/Dimensions				
Preserve and Atlantic Ridge Estates	\$15.0 million	~1 - 6 acres	30	9%		6
Equestrian Estates	\$13.0 million	~2.0 - 4 acres	16	5%		1
Golf and Western Estates	\$8.0 - \$12.25 million	~1.0 - 1.5 acres	149	47%		32
Cottage and Lake Homes	\$5 - \$7 million	~0.33- 1.0 acres	122	38%		38
Subtotal			317	100%		77

Based upon the current pace of lot sales in the Development in conjunction with the spectrum of product offerings currently and anticipated to continue to be offered in the Development, the Landowner reasonably expects that lot sales will continue at a pace of greater than twenty-five (25) homesites per year.

The aforementioned projections are based upon estimates and assumptions that are inherently uncertain, though considered reasonable, and are subject to significant business, economic and competitive uncertainties and contingencies, all of which are difficult to predict. As a result, there can be no assurance that such projections will occur or be realized in the time frames anticipated. See "BONDOWNERS' RISKS" herein

Recreational/Lifestyle Amenities

The Development has been designed to offer a collection of family-focused, adventure and health and wellness amenities for its members, their families and guests. Planned amenities include world-class golf courses, a clubhouse complex, an equestrian center, a state-of-the-art spa and well-being center, a family park and adventure center, an organic farm as well as an extensive trail network located throughout the Development and in the neighboring Atlantic Ridge State Park. In addition, a concierge-style member services team will be available to assist members in organizing daily activities and excursions.

As previously indicated, construction of certain recreational amenities are complete, including the Tom Fazio ten (10) hole short-course and additional temporary amenity facilities to help drive sales. These amenities include an 1,800 square foot restaurant/ lounge with service by a food truck, two (2) pickleball courts, two (2) padel courts, a restroom area, and an event lawn. Further, construction of the Tom Fazio designed eighteen (18) hole championship golf course has commenced with completion anticipated in the first quarter of 2025.

Community-wide amenities located throughout the Development, include, without limitation, those described below.

Championship Golf-Course

Designed by legendary designer Tom Fazio, the eighteen (18) hole championship course will wind its way through the community's lake and canal systems, capturing the natural beauty of the area. The Development is also planned to include on-course comfort stations, providing an area to re-charge and experience gourmet offerings from on-course chefs. Two (2) comfort stations are currently planned throughout the golf course.

Short-Course and Discovery Performance Center

The Development has also been designed to feature a Tom Fazio ten (10) hole short course and amenity club located in the southwest corner of the community.

As previously indicated, construction of the short course was completed in the fourth quarter of 2023.

To further enhance the golf experience, a Discovery Performance Center is planned to be centrally located in the Development and will feature fully integrated Trackman technology throughout the range and short-game areas, providing players with precise distances and data to maximize individual performance.

Club Village

The hilltop Club Village has been designed as a centerpiece amenity in the community that will provide expansive views of the golf course, lakes and open space within the Development. The Club Village has been designed to feature a clubhouse that is planned to include a selection of distinctive dining experiences, fitness, spa, and additional wellness facilities. Clustered near the clubhouse, the Club Village is also planned to include a variety of

amenities, including a classic barbershop and salon, retail shop, candy shop, cinema, golf house and medical center.

The Club Village will also be home to the planned Wellbeing & Wellness Center and world-class spa facilities. The Wellbeing & Wellness Center is designed to employ cutting-edge technologies and the latest training philosophy to enhance fitness, recovery, nutrition and rehabilitation.

The spa facilities will complement the Wellbeing & Wellness Center, providing a world-class experience for relaxation, restoration and rejuvenation. With a beautiful natural environment, the spa facilities are planned to feature open-air treatment cabanas, pools, zen rooms, meditation pads, along with expert salon services.

Equestrian Center

Based in the Development's historic Hobe Sound Polo Club located in the southeast corner of the community, the Equestrian Center is currently planned to enhance the existing polo grounds with additional on-site boarding, horse care facilities and elite training for both riders and horses. In addition to riding and care lessons, the Equestrian Center is planned to offer training in polo, dressage and hunter jumper activities. It is anticipated that both guided and unguided rides will be available with access to miles of trails through the community and neighboring Atlantic Ridge State Park.

Kids' Club & Sports Complex

Located near the Club Village, the Kids' Club and Sports Complex is planned to include a Kids' Club, baseball diamond and sports fields, as well as a waterpark and family pool, a playground, splash pad, and picnic area. Current plans also include an Activities Barn with classrooms for arts and crafts and life skills, a Racquet Club with courts for tennis, pickleball and padel and a Lake Club that will be planned to include a fishing shack, paddleboards, kayaks and inflatable lake activities.

Organic Farm

Located along the main entry road of the community, the Organic Farm is planned to provide fresh produce exclusively to members as well as outstanding culinary programs with true farm-to-table dining experiences.

Trail System

In addition to having access to miles of trails planned throughout the community, members will have easy access to more than 5,000 acres of natural habitats for hiking, biking, and horseback riding in the neighboring Atlantic Ridge State Park.

Marketing

The Developer employs a comprehensive marketing, vision and branding program for the Development. A preview of the Development and the branding material can also be found online at <https://discoverylandco.com/>.

In addition, the Developer has completed the construction of a temporary sales center with plans to construct a permanent sales and information center just off the main entrance to the Development.

Schools

Based upon current school zoning, school-age children residing in the Development would generally attend Hobe Sound Elementary School, Murray Middle School and South Fork High School. Hobe Sound Elementary School and Murray Middle School received a 'C' rating from the Florida Department of Education for 2022 while South Fork High School received a grade of "B" during the same period, the latest year for which school grades are available.

Fees and Assessments

Each homeowner will pay annual taxes, assessments and fees as described in more detail below.

Property Taxes. Ad valorem taxes levied by governmental entities upon lands within the Development during the year 2023 were approximately \$16.6565 per thousand dollars of taxable assessed value of taxable property. Thus each \$1 million of taxable assessed value would be subject to property taxes for 2023 of approximately \$16,656. See "Security for the Series 2024 Bonds-Projected Tax and Assessment Information for Unit 1A-Taxes and Assessments of Other Taxing Authorities" for further information.

Homeowner's Association Fees. All homeowners will be subject to annual homeowner's association ("HOA") fees for architectural review, deed restriction enforcement as well as the operation and maintenance of the HOA-owned facilities, including, without limitation, the recreational facilities, landscaping on private roadways, lakes and certain water-management facilities and other common areas. The estimated annual HOA fee is \$20,000 per residence.

In addition, a membership fee has been established for the maintenance of the golf and planned recreational facilities in the Development. Membership in the Development requires the purchase of a homesite and will be limited to 395 non-equity members, with member privileges extended to their families and guests. An initial non-equity membership deposit will begin at \$200,000, which shall be refundable for thirty (30) years at eighty percent (80%) of the value following transfer. Annual dues are estimated to start at \$35,000 when the golf amenities are completed and are expected to increase to \$55,000 as additional amenities are completed.

District Drainage Taxes and Operation and Maintenance Assessments. In addition to the Drainage Taxes, homeowners in the Development will be subject to the annual operation and maintenance Assessments levied by the District. The amounts of the operation and maintenance assessments are established by the District annually, are not subject to limitation (other than that the amounts bear a reasonable relationship to the cost to the District of providing service to the Development) and are subject to change each year. As noted herein, the operation and maintenance assessments are allocated over the assessable real property in the Development on

the same basis as the Drainage Taxes. The table below sets forth the estimated annual Drainage Taxes to be levied by the District for each of the respective residential product types.

Product Type	Est. Series 2024 Bonds	
	Drainage Taxes Per Unit	Est. O&M Per Acre*
<i>Recreational Amenities</i>		
Golf Course	\$ X	\$ X
Private Amenities & Maintenance	X	X
Polo Fields	X	X
<i>Residential</i>	X	X

Competition

The Developer expects that competition for the Development will primarily come from luxury golf course residential communities including McArthur Golf Club and the Jack Nicklaus-designed Panther National, fifteen miles south in Palm Beach Gardens.

OWNERS’ RISKS

EACH PROSPECTIVE INVESTOR SHOULD BE AWARE OF CERTAIN RISK FACTORS, ANY ONE OF WHICH, IF MATERIALIZED TO A SUFFICIENT DEGREE, COULD DELAY OR PREVENT PAYMENT OF PRINCIPAL AND/OR INTEREST ON THE SERIES 2024 BONDS. THE SERIES 2024 BONDS MAY NOT BE AN APPROPRIATE INVESTMENT FOR ALL POTENTIAL INVESTORS. The following is a summary of certain risks known to the District to be inherent in a purchase of the Series 2024 Bonds. The risks associated with the Series 2024 Bonds are described further in this Limited Offering Memorandum, which must be read in its entirety.

- 1. Concentration of Land Ownership.** There is currently a concentration of ownership of the land in Unit 1A and, while the Series 2024 Bonds are Outstanding, there will continue to be a concentration of ownership of certain of the land in Unit 1A. All of the Assessable Real Property within Unit 1A is currently owned by the Landowner. It is anticipated that the non-residential Assessment Real Property will continue to be owned by the Landowner or an affiliate of the Landowner or Developer. The District has only limited information about the Landowner and no information about its financial status. See “SECURITY FOR THE SERIES 2024 BONDS” and “ATLANTIC FIELDS – Fees and Assessments – District Drainage Taxes and Operation and Maintenance Assessments” herein.
- 2. Drainage Taxes are Non-recourse.** The Series 2024 Bonds are payable from the Drainage Taxes. Drainage Taxes are not a personal obligation of the owner of the land subject thereto, but are instead an imposition upon the land subject to the Drainage Taxes. The ultimate, and only, recourse for payment of Drainage Taxes is an action against the land. If proceedings against the land, including the statutory tax collection procedures described herein, do not result in the collection of funds sufficient to pay delinquent Drainage Taxes, the landowner may not be

compelled to pay the deficiency. Therefore, the likelihood of collection of the Drainage Taxes may ultimately depend upon the market value of the land subject to taxation. While the ability of a landowner to pay Drainage Taxes is a relevant factor, the willingness of a landowner to pay the taxes, which may be affected by the value of the land subject to taxation, is also an important factor in the collection of Drainage Taxes. There is no necessary correlation between the assessed benefits to the property in Unit 1A, which is determined for the purpose of determining the maximum amount of Bonds that can be issued, and the fair market value thereof. The District has commissioned no appraisal of the value of the real property in Unit 1A. The District makes no representation concerning the suitability of the land in Atlantic Fields for development for any particular purpose.

3. **Other Taxes.** All County, school district, and special district taxes and non-ad valorem assessments (including and in addition to the Drainage Taxes levied by the District) are levied and collected by the Tax Collector are payable at the same time. The District has no control over the amount of taxes or assessments levied by entities other than the District. The amount of such taxes and assessments may adversely affect the ability and/or willingness of a landowner to pay such taxes and assessments (including the Drainage Taxes) and may adversely affect the marketability of tax certificates. In addition to the Drainage Taxes, the District will also annually levy assessments on the Assessable Real Property in Unit 1A in order to maintain Improvements it owns and to fund the operations of the District, and these operation and maintenance assessments are allocated and apportioned in the same manner as the Drainage Taxes.

The District may in the future incur indebtedness secured and/or payable partially or wholly by special assessments other than the Drainage Taxes levied upon all or any portion of the land in Unit 1A in order to finance projects of the District other than the completion of the Plan of Improvements for Unit 1A. While the District has no current plans to incur any such indebtedness in the foreseeable future and while any such indebtedness would not be payable from the Drainage Taxes, such special assessments could be imposed upon the same land in Unit 1A that is subject to the Drainage Taxes, and could further increase the amount of taxes and assessments to which such land is subject. For further information, see "SECURITY FOR THE SERIES 2024 BONDS – Projected Tax and Assessment Information for Unit 1A," "THE DISTRICT – Future Financings," and "UNIT OF DEVELOPMENT NO. 1A AND THE PROJECT."

4. **Lack of Market for Tax Certificates.** The Drainage Taxes become due on November 1 of the year in which they are assessed (or thereafter upon satisfaction of certain statutory requirements by the tax collector) and become delinquent on the following April 1 or sixty days after the mailing of the original notice, whichever is later. The collection of delinquent taxes or assessments on real property, including Drainage Taxes, is largely based on the sale of "tax certificates". Tax certificates are sold at public auction to the purchaser who pays the delinquent taxes or assessments, interest and certain costs and charges relating thereto, and who bids the lowest interest rate per annum which shall not exceed eighteen percent per annum. Proceeds from the sale of tax certificates are required to be used to pay delinquent taxes (including delinquent Drainage Taxes), interest, costs and other charges. Under Florida Law, tax certificates

may not be sold until at least sixty days after the taxes become delinquent. There can be no assurances given that there will be any future purchasers of tax certificates.

The collection of delinquent taxes, including Drainage Taxes, upon real property is based upon the sale by the Tax Collector of “tax certificates” and remittance of the proceeds of such sale to the various governmental entities levying taxes for the payment of the taxes due. The demand for tax certificates is dependent upon various factors, including the interest which can be earned by ownership of such certificates and the value of the land which is the subject of such certificates and which, as described herein, may be subject to sale at the demand of the certificate holder. Therefore, the underlying market value of the land in Unit 1A may affect the demand for such certificates and therefore the successful collection of the Drainage Taxes which are the source of payment of the Series 2024 Bonds.

Because the purchase price of a tax certificate includes all the taxes levied on the pertinent parcel, and because certificates are only issued for a full parcel, it may be more difficult to sell certificates for large parcels of land because the number of purchasers who are willing or able to pay the amount necessary to purchase such certificates may be smaller compared to the number for smaller parcels. As of January, 2024, the taxable land in Unit 1A consisted of 56 parcels ranging from approximately 1.63 acres to over 144 acres in size. Based upon 2023 property tax levels and the expected debt service on the Series 2024 Bonds, projected Drainage Taxes and ad valorem taxes on these parcels could initially range as high as approximately \$39,932,000 million per year for the largest parcel if no further subdivision of land occurs in Unit 1A (such parcel has an assessed value as of January 1, 2024, as determined by the Martin County Property Appraiser of \$____ million). The inability of the Tax Collector to sell a tax certificate with respect to a single large parcel of land within Unit 1A could have a substantial and adverse effect on the District’s ability to pay debt service on the Series 2024 Bonds. As discussed in more detail under the heading “ATLANTIC FIELDS – Entitlements/Zoning,” final plat approval for the residential portion of Atlantic Fields is anticipated to occur in the second quarter of 2024.

5. **Tax Certificates Might Not Be Sold.** In the event there are no bidders, tax certificates are issued to the County at the maximum rate of interest allowed (presently 18%). **The tax collector does not collect any money from the County if the tax certificates are issued to the County.** County-held tax certificates, which are not previously purchased or redeemed, must be held by the County for a period ending two years from April 1 of the year of issuance. After the expiration of the two year period, the property will be offered for sale, as described under “SECURITY FOR THE SERIES 2024 BONDS -Tax Collection Procedure” herein. There are many procedures that must be followed by the tax collector before the property can be offered for sale. Such procedures include proper notices, collection of certain fees and charges, and establishing an opening bid for the property. Failure to comply with any of the procedures or receive the statutory (opening bid) could result in delays or a complete inability of the tax collector to collect the delinquent taxes. If the property is not sold within three years from the date it was first offered for public sale, the land escheats to the County and all tax certificates and liens against the property are canceled. If a sufficient amount of land within Unit 1A were to escheat to the County, the District would be unable to pay debt service on the Series 2024 Bonds.

6. **Tax Assessments May Be Contested.** Florida law provides a procedure whereby a taxpayer may contest a “tax assessment.” It is unclear whether this procedure applies to non ad valorem assessments such as the Drainage Taxes, and there are judicial decisions that support both views. Under the procedure, a taxpayer may bring suit to contest a “tax assessment” if the taxpayer pays the amount of “tax” which the taxpayer admits to be owing. Upon making such payment, all procedures for the collection of the unpaid taxes are suspended until the suit is resolved. If the procedure applies to non ad valorem assessments such as the Drainage Taxes, then it is possible that as a result of a challenge to such assessments, the collection procedures described herein could be held in abeyance until the challenge is resolved. This would result in a delay in the collection of the Drainage Taxes which could have a material and adverse effect upon the ability of the District to timely pay debt service on the Series 2024 Bonds.

7. **The District Could Fail to Levy Drainage Taxes.** The District is required to comply with statutory procedures in levying Drainage Taxes. Failure of the District to follow these procedures could result in the Drainage Taxes not being levied. See “SECURITY FOR THE SERIES 2024 BONDS” herein.

8. **Bankruptcy Risks.** The payment of the annual Drainage Taxes and the ability of the tax collector to collect unpaid taxes, including Drainage Taxes, may be limited by bankruptcy, insolvency, or other laws generally affecting creditors’ rights. Bankruptcy proceedings may cause the Drainage Tax lien to be extinguished, and bankruptcy of a property owner could also result in a delay by the tax collector in enforcing the collection of the Drainage Taxes as described herein. Such delay would increase the likelihood of a delay or default in payment of principal of and interest on the Series 2024 Bonds. Owners of the Series 2024 Bonds may not be recognized as creditors of any owner of land that has become a debtor in a bankruptcy proceeding (instead, the District would be the creditor).

9. **Atlantic Fields Might Not Succeed.** There is no assurance that Atlantic Fields will be successfully developed as planned by the Landowner. A slowdown of the process of development of the land within Unit 1A could adversely affect land values and reduce the ability or desire of the property owners to pay the annual Drainage Taxes. There can be no assurance that land development operations within Unit 1A will not be adversely affected by a future deterioration of the real estate market and economic conditions or future local, state and federal governmental policies relating to real estate development, the income tax treatment of real property ownership or the national economy. A failure of the Landowner to comply with the Atlantic Fields PUD or any other governmental restriction relevant to Atlantic Fields could materially and adversely affect the completion of Atlantic Fields, which could materially and adversely affect the value of and the prospects for the timely payment of the principal of and interest on the Series 2024 Bonds.

10. **The Series 2024 Reserve Account May Not Be Adequate.** Some of the risk factors discussed herein, which, if materialized, would result in a delay in the collection of the Drainage Taxes, may not affect the timely payment of debt service on the Series 2024 Bonds because of the Series 2024 Reserve Account in the Reserve Fund established by the District for the Series 2024

Bonds. The ability of the Series 2024 Reserve Account to fund deficiencies caused by delinquent Drainage Taxes is dependent on the amount, duration and frequency of such deficiencies. Moneys on deposit in the Series 2024 Reserve Account are invested in certain obligations permitted under the Resolution. Fluctuations in interest rates and other market factors could affect the amount of moneys available in the Series 2024 Reserve Account to make up deficiencies.

11. **There May Not Be a Resale Market for the Series 2024 Bonds.** No assurance can be given that a market will exist for the resale of the Series 2024 Bonds. Because of general market conditions, or because of adverse prospects connected with a particular bond issue, secondary marketing practices in connection with an issue may be suspended or terminated. Prices of issues for which a market is being made will depend upon then prevailing circumstances. Such prices could be substantially different from the original purchase price.

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

There can be no assurance that an audit by the IRS of the Series 2024 Bonds will not be commenced. The District has no reason to believe that any such audit will be commenced, or that any such audit, if commenced, would result in a conclusion of noncompliance with any applicable state or federal law.

Owners of the Series 2024 Bonds are advised that, if the IRS does audit the Series 2024 Bonds, under its current procedures, at least during the early stages of an audit, the IRS will treat the District as the taxpayer, and the Owners of the Series 2024 Bonds may have limited rights to participate in those proceedings. The commencement of such an audit could adversely affect the market value and liquidity of the Series 2024 Bonds until the audit is concluded, regardless of the ultimate outcome. In addition, in the event of an adverse determination by the IRS with respect to the tax-exempt status of interest on the Series 2024 Bonds, it is unlikely the District will have available revenues to enable it to contest such determination or enter into a voluntary

financial settlement with the IRS. Further, an adverse determination by the IRS with respect to the tax-exempt status of interest on the Series 2024 Bonds would adversely affect the availability of any secondary market for the Series 2024 Bonds. Should interest on the Series 2024 Bonds become includable in gross income for federal income tax purposes, not only will Owners of the Series 2024 Bonds be required to pay income taxes on the interest received on such Series 2024 Bonds and related penalties, but because the interest rate on such Series 2024 Bonds will not be adequate to compensate Owners of the Series 2024 Bonds or the income taxes due on such interest, the value of the Series 2024 Bonds may decline.

THE RESOLUTION DOES NOT PROVIDE FOR ANY ADJUSTMENT IN THE INTEREST RATE ON THE SERIES 2024 BONDS IN THE EVENT OF AN ADVERSE DETERMINATION BY THE IRS WITH RESPECT TO THE TAX-EXEMPT STATUS OF INTEREST ON THE SERIES 2024 BONDS. PROSPECTIVE PURCHASERS OF THE SERIES 2024 BONDS SHOULD EVALUATE WHETHER THEY CAN OWN THE SERIES 2024 BONDS IN THE EVENT THAT THE INTEREST ON THE SERIES 2024 BONDS BECOMES TAXABLE.

If the Series 2024 Bonds were to be audited, the IRS might examine whether the District is a political subdivision and whether interest on the Series 2024 Bonds is excludable from gross income. In addition to a possible determination by the IRS that the District is not a political subdivision for purposes of the Code (as hereinafter defined), and regardless of the IRS determination, it is possible that federal or state regulatory authorities could also determine that the District is not a political subdivision for purposes of the federal and state securities laws. Accordingly, the District and purchasers of the Series 2024 Bonds may not be able to rely on the exemption from registration under the Securities Act of 1933, as amended (the "Securities Act") relating to the securities issued by political subdivisions. In that event the Owners of the Series 2024 Bonds would need to ensure that subsequent transfers of the Series 2024 Bonds are made pursuant to a transaction that is not subject to the registration requirements of the Securities Act and state securities laws.

Various proposals are mentioned from time to time by members of the Congress of the United States of America and others concerning reform of the internal revenue (tax) laws of the United States. In addition, the IRS may, in the future, issue rulings that have the effect of changing the interpretation of existing tax laws. Certain of these proposals and interpretations, if implemented or upheld, could have the effect of diminishing the value of obligations of states and their political subdivisions, such as the Series 2024 Bonds, by eliminating or changing the tax-exempt status of interest on certain of such bonds. Whether any of such proposals will ultimately become or be upheld as law, and if so, the effect such proposals could have upon the value of bonds such as the Series 2024 Bonds, cannot be predicted. However, it is possible that any such law or interpretation could have a material and adverse effect upon the availability of a liquid secondary market and/or the value of the Series 2024 Bonds.

See "TAX MATTERS" herein.

13. **Lack of Information Regarding Atlantic Fields.** The District may have incomplete or inaccurate information concerning Atlantic Fields. For example, the District has limited information concerning the condition of the land in Atlantic Fields, its suitability for future development and its value. Furthermore, the District has no information regarding the financial status of any landowner in Unit 1A. The District has no financial information concerning the Landowner or its owners or affiliates, including its and their ability to obtain any financing it or they may need in order to complete Atlantic Fields as planned.

14. **Environmental Issues.** The value of the land within Unit 1A, the success of Atlantic Fields and the likelihood of timely payment of principal and interest on the Series 2024 Bonds could be affected by environmental factors with respect to the land in Unit 1A. Should the land be contaminated by hazardous materials, this could materially and adversely affect the value of the land in Unit 1A, which could materially and adversely affect the success of Atlantic Fields and the likelihood of the timely payment of the Series 2024 Bonds. The District has not performed, nor has the District requested that there be performed on its behalf, any independent assessment of the environmental conditions within Unit 1A. See “ATLANTIC FIELDS - Environmental.”

15. **The Project Might Not Be Completed.** Completion of the Project is dependent upon factors outside the control of the District. These factors include the requirement for permits from various governmental agencies and the need for additional funding whether through the issuance of additional Bonds or payments by the Landowner. Failure to obtain any required permit or to obtain any necessary financing could materially and adversely affect the completion of the Project, which could materially and adversely affect the value of and the prospects for the timely payment of the principal of and interest on the Series 2024 Bonds. The description of the Atlantic Fields PUD herein is only a summary of certain of the major provisions of the Atlantic Fields PUD and the other governmental regulations applicable to Unit 1A and Atlantic Fields. There are conditions to the Atlantic Fields PUD and provisions of governmental regulations applicable to Atlantic Fields and Unit 1A that are not summarized herein. Any failure by the District or the Landowner to comply with the requirements of the Atlantic Fields PUD or these regulations could result in an inability of the District or the Landowner to proceed with the Project or Atlantic Fields. Likewise, any such failure could have a material and adverse effect upon the value of the Series 2024 Bonds. Neither the District nor the Owners of the Series 2024 Bonds have any ability to control the activities of the Landowner vis-a-vis the Atlantic Fields PUD or such regulations.

16. **Remedies Limited Upon an Event of Default.** Upon an Event of Default, any Owner of Series 2024 Bonds seeking redress must act on its own to remedy such default. The Trustee acts under the Resolution solely as the custodian of amounts on deposit in certain funds and accounts held by the Trustee. The Trustee is not required or authorized by the Resolution to take any action in event of such a default, whether at the direction of the District or the Owners or on its own volition. Owners taking such action will have to bear the costs and difficulties of such action, as well as the risks that conflicting claims may be brought by individual Owners and that the first court judgment on any such claim may bind all subsequent claims and judgments.

Upon default in payment of the Series 2024 Bonds, Owners seeking redress may be entitled by applicable law to sue on the debt represented by the Series 2024 Bonds. In addition, the District may under Florida law, by suit, action or mandamus, be compelled to perform the duties required by the Act or to enforce and apply taxes for the payment of the Series 2024 Bonds. Further, Owners may be entitled to apply to a court of competent jurisdiction for the appointment of a receiver for the District.

The Resolution does not contain an express contractual right to accelerate the debt represented by the Bonds upon default and it is unclear whether Florida law provides such a right of acceleration. The Owners may have to sue under Florida law each time that debt service comes due and is unpaid. Even if a right of acceleration is provided by Florida law, however, such acceleration would not assure the availability of funds for the payment of the Series 2024 Bonds.

The Resolution provides for no increase in the interest rates borne by the Series 2024 Bonds during the continuance of any Event of Default, including a non-payment default.

Further, the remedies available to the Owners of the Series 2024 Bonds upon an Event of Default under the Resolution are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including the federal bankruptcy code, the remedies specified by the Resolution and the Series 2024 Bonds may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2024 Bonds will be qualified, as to the enforceability of the remedies provided in the various legal instruments, by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors enacted before or after such delivery.

17. **Cybersecurity Risks.** 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 2024 Bonds.

18. **Risks Related to Infectious Viruses and/or Diseases.** A novel coronavirus outbreak first identified in 2019 as causing coronavirus disease 2019 ("COVID-19") was characterized by the World Health Organization on March 11, 2020, as a pandemic. Responses to COVID-19 varied at the local, state and national levels. In reaction to the pandemic declaration a variety of federal agencies, along with state and local governments, implemented efforts designed to limit the spread of COVID-19. COVID-19 negatively impacted travel, commerce, and financial markets globally, including supply chain, inflation, and labor shortage

issues. Although the World Health Organization no longer considers COVID-19 to be a global public health emergency, how long the foregoing negative impacts will last cannot be determined at this time; however, these negative impacts could reduce property values, slow or cease development and sales within Unit 1A and/or otherwise have a negative financial impact on the Landowner or subsequent landowners. While the foregoing describes certain risks related to the recent outbreak of COVID-19, the same risks may be associated with any contagious epidemic, pandemic or disease.

19. **Risks Related to Natural Disasters.** The value of the lands subject to the Drainage Taxes 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 District lands unable to support the development and construction of the Plan of Improvements and cause disruptions to the supply chain and insurance market for contractors and home buyers. The occurrence of any such events could materially adversely affect the District's ability to collect Drainage Taxes and pay debt service on the Series 2024 Bonds. The Series 2024 Bonds are not insured and the District's casualty insurance policies do not insure against losses incurred on private lands within its boundaries.

LEGAL MATTERS

Certain legal matters incident to the authorization, issuance, sale and delivery of the Series 2024 Bonds, and the treatment of the interest thereon for federal income tax purposes, are subject to the approval of Holland & Knight LLP, West Palm Beach, Florida, Bond Counsel. Certain legal matters will be passed upon for the District by its counsel, Caldwell Pacetti Edwards Schoech & Viator LLP, West Palm Beach, Florida. Certain legal matters will be passed upon for the Landowner by its counsel, Gunster, Yoakley & Stewart, P.A., West Palm Beach, Florida.

Counsel for the District, Bond Counsel, and counsel for the Underwriter will receive fees for their services rendered with respect to the issuance of the Series 2024 Bonds, which fees are contingent upon the issuance of the Series 2024 Bonds.

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

LITIGATION

The District. In the opinion of Caldwell Pacetti Edwards Schoech & Viator LLP, counsel to the District, there is no litigation or other proceeding pending in the 19th Judicial Circuit in and for Martin County, Florida or the United States District Court for the Southern District of Florida, or to the knowledge of said counsel, pending or threatened, in any court or other tribunal, state or federal, (i) restraining or enjoining or seeking to restrain or enjoin the issuance, sale, execution or delivery of any of the Series 2024 Bonds, or (ii) in any way questioning or affecting the validity of any provision of the Series 2024 Bonds, the Resolution, the Trustee Agreement or the Bond Purchase Agreement between the District and the Underwriter, or (iii) in any way questioning or affecting the validity of any of the proceedings or authority for the issuance, authorization, sale, execution or delivery of the Series 2024 Bonds, or of any provision, program, or transaction made or authorized for their payment, or (iv) questioning or affecting the organization or existence of the District or the incumbency of any of its officers to their respective offices, or (v) questioning or affecting the validity of the levying of the Drainage Taxes or the pledge thereof in favor of the Owners of the Series 2024 Bonds.

The Landowner. The Landowner has advised the District that there is no litigation or other proceeding pending, or to the knowledge of the Landowner threatened, in any court or other tribunal, whether state or federal, against or affecting Atlantic Fields or the Landowner in which an adverse decision would materially and adversely affect the ability of the Landowner to complete Atlantic Fields as described herein and to fulfill the other obligations of the Landowner as described herein.

VALIDATION

On October 3, 2023, the Circuit Court of the Nineteenth Judicial Circuit of Florida, in and for Martin County, rendered an Order validating the Bonds. The time for filing an appeal from such judgment expired with no appeal having been filed.

TAX MATTERS

Opinion of Bond Counsel

In the opinion of Bond Counsel, as more fully described below, under existing law and assuming continuing compliance by the District with certain tax covenants, the interest on the Series 2024 Bonds is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”) and is not treated as an item of tax preference for purposes of computing the federal alternative minimum tax imposed on individuals under the Code; however, the interest on the Series 2024 Bonds is included in the

"adjusted financial statement income" of certain corporations on which the federal alternative minimum tax is imposed under the Code.

The foregoing opinions of Bond Counsel are subject to the condition that the District complies with all requirements of the Code that must be satisfied subsequent to the issuance of the Series 2024 Bonds in order for interest on the Series 2024 Bonds to be excludable from gross income for federal income tax purposes. The District has covenanted to comply with such requirements.

The scope of the foregoing opinions of Bond Counsel is limited to matters addressed above and no opinion is expressed by Bond Counsel regarding other federal income tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Series 2024 Bonds. In rendering such opinions, Bond Counsel further assumes and relies upon (i) without undertaking to verify the same by independent investigation, the accuracy of the representations, statements of intention and reasonable expectation, and certifications of fact of the District with respect to matters affecting the excludability of interest on the Series 2024 Bonds from gross income for federal income tax purposes under the Code; and (ii) continuing compliance by the District with the applicable requirements of the Code as to such tax matters and certain procedures, agreements and covenants that must be met subsequent to the issuance of the Series 2024 Bonds in order that interest on the Series 2024 Bonds be and remain excludable from gross income for federal income tax purposes.

In addition, in rendering the foregoing opinions, Bond Counsel will also assume and rely on, without undertaking to verify the same by independent investigation, the truthfulness, accuracy and completeness of certain agreements, covenants, certifications, representations, and statements of intention and reasonable expectation provided as of the date of issuance of the Series 2024 Bonds by the Landowner, as the primary landowner and developer of the residential lands within the boundaries of the Unit, and certain certifications of the District Engineer.

Bond Counsel has not been engaged or retained to monitor post-issuance compliance. Failure of the District to comply with such requirements may cause the interest on the Series 2024 Bonds to not be excludable from gross income for federal income tax purposes retroactively to the date of issuance of the Series 2024 Bonds irrespective of the date on which such noncompliance occurs or is ascertained.

Bond Counsel's opinions set forth above are based upon current facts and circumstances, and upon existing law and interpretations thereof, as of the date such opinions are delivered and Bond Counsel assumes no affirmative obligation to update, revise or supplement such opinions to reflect any action thereafter taken or not taken or if such facts or circumstances, or laws or interpretations thereof, change after the date of such opinions, including, without limitation, changes that adversely affect the excludability of interest on the Series 2024 Bonds, even if such actions, inactions or changes come to Bond Counsel's attention. Further, such opinions are limited solely to the matters stated therein, and no opinion is to be implied or is intended beyond the opinions expressly stated therein. Moreover, the opinion of Bond Counsel is only an opinion

and not a warranty or guaranty of the matters discussed or of a particular result, and is not binding on the Internal Revenue Service (the "IRS") or the courts. See also "LEGAL MATTERS" herein.

Prospective purchasers of the Series 2024 Bonds should also be aware that ownership of the Series 2024 Bonds may result in adverse tax consequences under the laws of various states and local jurisdictions. Bond Counsel expresses no opinion regarding any state or local tax consequences of acquiring, carrying, owning or disposing of the Series 2024 Bonds. Prospective purchasers of the Series 2024 Bonds should consult their tax advisors as to any state and local tax consequences to them of owning the Series 2024 Bonds.

Reference is made to the proposed form of the opinion of Bond Counsel attached hereto as "Appendix F—Form of Bond Counsel Opinion" for the complete text thereof.

Certain Collateral Federal Income Tax Consequences

The following is a brief discussion of certain collateral federal income tax matters with respect to the Series 2024 Bonds. It does not purport to address all aspects of federal taxation that may be relevant to a particular owner of any Series 2024 Bonds. Bond Counsel has not expressed an opinion regarding the collateral federal income tax consequences that may arise with respect to the Series 2024 Bonds.

Prospective purchasers of the Series 2024 Bonds should be aware that ownership of, receipt or accrual of interest on, or disposition of, tax-exempt obligations may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain S Corporations with "excess net passive income" and foreign corporations subject to the branch profits tax, individuals eligible to receive the earned income tax credit, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry the Series 2024 Bonds.

Information Reporting and Backup Withholding

Interest paid on tax-exempt obligations is subject to information reporting to the IRS in a manner similar to interest paid on taxable obligations. This reporting requirement does not affect the excludability of interest on the Series 2024 Bonds from gross income for federal income tax purposes. However, in conjunction with that information reporting requirement, the Code subjects certain non-corporate owners of Series 2024 Bonds, under certain circumstances, will be subject to "backup withholding" with respect to payments on the Series 2024 Bonds and proceeds from the sale of the Series 2024 Bonds. Any amounts so withheld would be refunded or allowed as a credit against the federal income tax of such owner of the Series 2024 Bonds. This withholding generally applies if the owner of the Series 2024 Bonds (i) fails to furnish the paying agent (or other person who would otherwise be required to withhold tax from such payments) such owner's social security number or other taxpayer identification number ("TIN"), (ii) furnishes the

paying agent an incorrect TIN, (iii) fails to properly report interest, dividends, or other "reportable payments" as defined in the Code, or (iv) under certain circumstances, fails to provide the paying agent or such owner's securities broker with a certified statement, signed under penalty of perjury, that the TIN provided is correct and that such owner is not subject to backup withholding.

Prospective purchasers of the Series 2024 Bonds may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding and the procedures for obtaining exemptions.

Original Issue Premium

The Series 2024 Bonds maturing on May 1 in the years 20[___] through and including 20[___] (collectively, the "Premium Bond[s]") were offered and sold to the public at a price in excess of their stated redemption price (the principal amount) at maturity. That excess constitutes bond premium. For federal income tax purposes, bond premium is amortized over the period to maturity of a Premium Bond, based on the yield to maturity of that Premium Bond (or, in the case of a Premium Bond callable prior to its stated maturity, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on that Premium Bond), compounded semiannually. No portion of that bond premium is deductible by the owner of a Premium Bond. For purposes of determining the owner's gain or loss on the sale, redemption (including redemption at maturity) or other disposition of a Premium Bond, the owner's tax basis in the Premium Bond is reduced by the amount of bond premium that accrues during the period of ownership. As a result, an owner may realize taxable gain for federal income tax purposes from the sale or other disposition of a Premium Bond for an amount equal to or less than the amount paid by the owner for that Premium Bond. A purchaser of a Premium Bond in the initial public offering at the price for that Premium Bond who holds that Premium Bond to maturity (or, in the case of a callable Premium Bond, to its earlier call date that results in the lowest yield on that Premium Bond) will realize no gain or loss upon the retirement of that Premium Bond.

The federal income tax treatment of original issue premium under the Code, including the determination of the amount of amortizable bond premium that is allocable to each year, is complicated. Purchasers of Premium Bonds should consult their own tax advisors regarding the treatment of bond premium for federal income tax purposes, including various special rules relating thereto, and the state and local tax consequences, in connection with the acquisition, ownership, amortization of bond premium on, sale, exchange or other disposition of, Premium Bonds.

Original Issue Discount

The Series 2024 Bonds maturing on May 1 in the years 20[___] through and including 20[___] (collectively, the "Discount Bond[s]") were sold at prices less than the stated principal amounts thereof. The difference between the principal amount of the Discount Bonds and the initial offering price to the public, excluding bond houses and brokers, at which price a substantial amount of such Discount Bonds of the same maturity was sold, is "original issue discount." Original issue discount represents interest which is excluded from gross income for federal income tax purposes to the same extent and subject to the same considerations discussed above as to stated interest on the Series 2024 Bonds. Such interest is taken into account for purposes of determining the alternative minimum tax liability, and other collateral tax consequences, although the owner of such Discount Bonds may not have received cash in such year. Original issue discount will accrue over the term of a Discount Bond at a constant interest rate compounded on interest payment dates. A purchaser who acquires a Discount Bond in the initial offering at a price equal to the initial offering price thereof 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.

Purchasers of Discount Bonds should consult their own tax advisors regarding the treatment for federal income tax purposes of interest accrued upon sale, redemption or the disposition of Discount Bonds, including various special rules relating thereto, and the state and local tax consequences, in connection with the acquisition, ownership, accrual of discount on, sale, exchange or other disposition of, Discount Bonds.

Miscellaneous

Bond Counsel gives no assurance that any future legislation or clarifications or amendments to the Code, if enacted into law or that otherwise become effective, will not cause the interest on the Series 2024 Bonds to be subject, directly or indirectly, to federal income taxation or otherwise prevent the Owners from realizing the full current benefit of the tax status of the interest on the Series 2024 Bonds. During recent years, legislative proposals have been introduced in Congress, and in some cases have been enacted, that have altered or could alter certain federal tax consequences of owning obligations similar to the Series 2024 Bonds. In some cases, these proposals have contained provisions that were to be applied on a retroactive basis. It is possible that legislation could be introduced that, if enacted, could change the federal tax consequences of owning the Series 2024 Bonds and, whether or not enacted, could adversely affect their market value. Prospective purchasers of the Series 2024 Bonds are encouraged to consult their own tax advisors regarding any pending or proposed federal legislation, as to which Bond Counsel expresses no view.

The IRS has established an on-going program to audit tax-exempt obligations to determine whether interest on such obligations is includible in gross income for federal income tax purposes. In addition, reference is made to “OWNERS’ RISKS—Item No. 12—Tax Risks” herein, including regarding recent developments with respect to certain special district financings. No assurances can be given as to whether or not the IRS will open an audit of the Series 2024 Bonds to determine whether the interest thereon is includible in gross income for federal income tax purposes or as to whether the IRS would agree with the opinions of Bond Counsel, as described herein. If the IRS opens an audit of the Series 2024 Bonds, under current IRS procedures, the IRS will treat the District as the taxpayer, and the Owners of the Series 2024 Bonds may have no right to participate. The commencement of an audit could adversely affect the market value and liquidity of the Series 2024 Bonds until the audit is concluded, regardless of the ultimate outcome. As noted earlier, the Resolution does not require the District to redeem the Series 2024 Bonds or to pay any additional interest or penalty in the event the interest on the Series 2024 Bonds becomes taxable.

The federal income tax consequences from the purchase, ownership and redemption, sale or other disposition of Series 2024 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. Purchasers of the Series 2024 Bonds at other than their original issuance at the respective prices indicated on the inside cover of this Limited Offering Memorandum should consult their own tax advisors regarding other tax considerations.

PURCHASE, OWNERSHIP, SALE OR DISPOSITION OF THE SERIES 2024 BONDS AND THE RECEIPT OR ACCRUAL OF THE INTEREST THEREON MAY HAVE ADVERSE FEDERAL TAX CONSEQUENCES FOR CERTAIN INDIVIDUAL AND CORPORATE OWNERS, INCLUDING, BUT NOT LIMITED TO, THE CONSEQUENCES DESCRIBED ABOVE. PROSPECTIVE OWNERS SHOULD CONSULT WITH THEIR TAX SPECIALISTS FOR INFORMATION IN THAT REGARD.

LACK OF BOND RATINGS

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

CONTINUING DISCLOSURE

General

In order to assist the Underwriter in complying with Rule 15c2-12 of the Securities and Exchange Commission (the “Rule”), the District has agreed in the Award Resolution that it will,

in accordance with the provisions of, and to the degree necessary to comply with, the secondary market disclosure requirements of Securities and Exchange Commission Rule 15c2-12 (the “Rule”), file with the MSRB (hereinafter defined) in an electronic format and with such identifying information as prescribed by the MSRB:

(1) the following annual financial information and operating data (the “Annual Information”), commencing with the Fiscal Year ended September 30, 2024:

(i) Updates of the financial information and operating data of the type set forth in this Limited Offering Memorandum, including updates of the historical assessment levy, collection and delinquency rates and assessed valuation data, in a form which is generally consistent with the presentation of such information in this Limited Offering Memorandum; and

(ii) Audited financial statements with respect to the District utilizing generally accepted accounting principles to local governments.

The information in clauses (i) and (ii) above will be available for each Fiscal Year on or prior to the next April 1 following the end of such Fiscal Year, and will be made available, in addition to the MSRB, to each beneficial owner of the Series 2024 Bonds who requests such information in writing. The financial statements referred to in clause (ii) above may be made available separately from the information in clause (i) above and will be provided by the District as soon as practical after acceptance of such statements from the auditors by the District, but by no later than June 30; if not available within one year after the end of the Fiscal Year, unaudited information will be provided in accordance with the time frame set forth above and audited financial statements will be provided as soon after such time as they become available;

(2) in a timely manner not in excess of ten (10) Business Days after the event, notice of occurrence of any of the following events with respect to the Series 2024 Bonds:

- (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 Series 2024 Bonds, or other material events affecting the tax status of the Series 2024 Bonds;
- (vii) modifications to rights of holders of the Series 2024 Bonds, if material;
- (viii) bond calls, if material, and tender offers;
- (ix) defeasance;

(x) release, substitution or sale of any property securing repayment of the Series 2024 Bonds, if material;

(xi) rating changes;

(xii) bankruptcy, insolvency, receivership, or similar proceeding of the District.

For purposes of this clause (xii), any such event shall be considered to have occurred when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the District 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 District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District;

(xiii) mergers, consolidations, or acquisitions of the District, the sale of all or substantially all of the assets of the District, 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 paying agent or the change of the name of a trustee or paying agent, if material;

(xv) incurrence of a financial obligation of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or similar terms of a financial obligation of the Issuer, any of which affect security holders, if material; and

(xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the District, any of which reflect financial difficulties;

(3) in a timely manner, to the MSRB, notice of its failure to provide the Annual Information with respect to itself on or prior to September 30 following the end of the preceding Fiscal Year.

“MSRB” means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, as amended.

The foregoing covenants (collectively, the “Continuing Disclosure Covenants”) shall run to the benefit of the Owners and the beneficial owners of Series 2024 Bonds owned in book-entry format. However, failure to meet the Continuing Disclosure Covenants described herein shall not be deemed to constitute an Event of Default or a breach of any other covenant under the Resolution, and the sole remedy for such a default or breach shall be as described in the next paragraph.

Any Owner or any beneficial owner may either at law or in equity, by suit, action, mandamus or other proceeding in any court or competent jurisdiction, protect and enforce any and all rights granted or contained in the District’s Continuing Disclosure Covenants and may

enforce and compel the performance of all duties required thereby to be performed by the District or by any officers thereof.

Notwithstanding any other provision of the Resolution, the District's Continuing Disclosure Covenants may be amended only as follows: (a) the amendment 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 or the type of business conducted by the District, (b) the provisions of the District's continuing disclosure undertaking, as amended, would have complied with the requirements of Rule 15c2-12 of the Securities and Exchange Commission as in effect as of the date of issuance of the Series 2024 Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances and (c) the amendment does not materially impair the interest of the Owners and/or beneficial owners as determined by an opinion of nationally recognized bond counsel delivered to the District, or by approving vote of the Owners or beneficial owners of a majority in principal amount of the Outstanding Series 2024 Bonds at the time of the amendment. In the event of any amendment to the continuing disclosure undertaking, the annual financial information provided subsequent to such amendment shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided by the District. If the amendment affects the accounting principles to be followed in preparing financial statements of the District, the annual financial information for the year in which the change is made must present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison must include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the District to meet its obligations. To the extent reasonably feasible, the comparison should also be quantitative. A notice of the change in the accounting principles must be sent to the MSRB.

Additional Matters

[The District has engaged Special District Services, Inc. to assist the District with its future continuing disclosure obligations with respect to the Series 2024 Bonds.]

The District has not undertaken any continuing disclosure obligation with respect to information concerning the Landowner, the Developer or Atlantic Fields. However, at or before the issuance of the Series 2024 Bonds, the Landowner will enter into a Continuing Disclosure Agreement with Special District Services, Inc., as dissemination agent, pursuant to which the Landowner will undertake to provide certain information after the issuance of the Series 2024 Bonds. The form of the Continuing Disclosure Agreement is included herein as Appendix G.

FINANCIAL STATEMENTS

The Annual Financial Report, including audited financial statements, of the District for the fiscal year ended September 30, 2022, included as Appendix E. Such statements speak only as of September 30, 2022. 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 only as publicly available documents. The auditor was not requested nor did they perform any procedures with respect to the preparation of this Limited Offering Memorandum or the information presented herein.

DISCLOSURE OF MULTIPLE ROLES

Prospective purchaser of the Series 2024 Bonds should note that Rick Melchiori, President of the Board of Supervisors of the District, [is an employee of the Seller and has affiliations with both the Landowner and the Developer]. Holland & Knight LLP is serving as Bond Counsel and also serves as counsel to the Landowner and certain of its affiliates in matters related to Atlantic Fields and represents affiliates of the Landowner in unrelated matters. Higgins Engineering, Inc. serves as District Engineer and also serves as consulting engineer to the Landowner.

UNDERWRITING

The Series 2024 Bonds are being purchased by MBS Capital Markets, LLC (the "Underwriter") at a price of \$_____, the par amount of the Series 2024 Bonds less original issue discount of \$_____, plus original issue premium of \$_____ and less Underwriter's discount in the amount of \$_____. The Underwriter's obligations are subject to certain conditions precedent, and if obligated to purchase any of the Series 2024 Bonds, the Underwriter will be obligated to purchase all of the Series 2024 Bonds. The Series 2024 Bonds may be offered and sold to certain dealers, dealer banks, and banks acting as agent (including underwriters and other dealers depositing such Series 2024 Bonds into investment trusts) and others at prices lower than the public offering prices stated on the inside cover hereof. The initial public offering price may be changed from time to time by the Underwriter.

The Underwriter and its affiliates, if any, may be engaged in various activities, that may include securities trading, commercial and investment banking, municipal advisory, brokerage, and asset management. In the ordinary course of business, the Underwriter and its affiliates may actively trade debt and, if applicable, equity securities (or related derivative securities) and provide financial instruments (which may include bank loans, credit support or interest rate swaps). The Underwriter and its affiliates may engage in transactions for their own accounts involving the securities and instruments made the subject of this securities offering or other offerings of the District. The Underwriter and its affiliates may also communicate independent investment recommendations, market color or trading ideas and publish independent research

views in respect of this securities offering or other offerings of the District. The Underwriter and its affiliates may make a market in credit default swaps with respect to municipal securities in the future.

[Remainder of page intentionally left blank]

AUTHORIZATION AND APPROVAL

The execution and delivery of this Limited Offering Memorandum has been duly authorized by the Board of Supervisors of Hobe-St. Lucie Conservancy District.

**HOBE-ST. LUCIE CONSERVANCY
DISTRICT**

Rick Melchiori, President, Board of
Supervisors

ATTEST:

Robert Brown, Assistant Secretary

Discovery Hobe Sound Investors, LLC, a Delaware limited liability company, (i) acknowledges that it has reviewed and approved the information in this Limited Offering Memorandum but only with respect to the language under the captions "THE LANDOWNER AND DEVELOPER," "ATLANTIC FIELDS," "LITIGATION - The Landowner" and in Appendix C, but only with respect to specific references to the Landowner, the Developer and Atlantic Fields, and (ii) warrants and represents that such information does not contain any untrue statement of a material fact and does not omit to state any material fact necessary in order to make the statements made in such sections not misleading. Notwithstanding the foregoing, neither the Landowner nor any of its affiliates is the issuer of the Bonds, and neither it nor any such affiliate has any responsibility or liability whatsoever with respect to any other matter contained in this Limited Offering Memorandum.

**DISCOVERY HOBE SOUND
INVESTORS, LLC**

Authorized Representative

APPENDIX A

The Resolution

APPENDIX B

Plan of Improvements

APPENDIX C

Maps and Renderings

APPENDIX D

Report of Engineer

APPENDIX E

Audited Financial Report of the District for the Fiscal Year Ended September 30, 2022

APPENDIX F

Form of Bond Counsel Opinion

APPENDIX G

Form of Landowner Continuing Disclosure Agreement

**MAINTENANCE AGREEMENT
(Non-Irrigation)
(Unit of Development No. 1A)**

THIS MAINTENANCE AGREEMENT (the “Agreement”) is being entered into by and between **DISCOVERY HOBE SOUND INVESTORS, LLC**, a Delaware limited liability company registered to do business in the State of Florida, whose address is as set forth in Section 14 (hereafter referred to as “Developer”), **ATLANTIC FIELDS MASTER ASSOCIATION, INC.**, a Florida not for profit corporation, whose address is as set forth in Section 14 (“Master Association”), and **HOBE-ST. LUCIE CONSERVANCY DISTRICT**, an independent special district of the State of Florida, whose address is as set forth in Section 14 (hereafter referred to as “District”). (Developer, Master Association and District are hereafter collectively referred to as the “Parties” and individually as a “Party.”)

RECITALS

WHEREAS, District is an independent special district of the State of Florida and wholly contained within its jurisdictional boundaries is its Unit of Development No. 1A (“Unit 1A”); and

WHEREAS, Developer owns the real property within Unit 1A identified in the attached **Exhibit “A”** (the “Developer Property”); and

WHEREAS, District owns in fee certain real property within Unit 1A identified generally in the attached **Exhibit “B”** (the “District Property”). The Developer Property and the District Property are identified on the Discovery P.U.D. Plat (“Plat”) recorded in the Public Records of Martin County, Florida (Hereafter the Developer Property and the District Property shall be referred to collectively as the “Property”); and

WHEREAS, pursuant to Chapter 298, Florida Statutes, Chapter 2005-339, Laws of Florida (as amended), and other general and special laws of the State of Florida, District has constructed or will construct or acquire from the Developer own certain public infrastructure improvements within or upon District Property for the benefit of landowners in Unit 1A; and

WHEREAS, District has constructed or will construct or acquire from the Developer additional public infrastructure improvements within or upon Developer Property for the benefit of landowners in Unit 1A (“District Easement Improvements”), access to which is provided by certain easements dedicated to District upon the Plat for drainage, access, ingress-egress, maintenance and other public purposes which are identified generally in the attached **Exhibit “C”** (the “District Easement Interests”). Public infrastructure improvements that are owned by the District on District Property or District Easement Improvements owned by the District and located within District Easement Interests are hereafter collectively referred to as the “District Improvements”; and

WHEREAS, the general location and nature of District Improvements are identified in attached **Exhibit “D-1”** (the “District Improvement Sites”), and **Exhibit “D-2”** (the “District Improvement Sites: Boundary Berms”); and

WHEREAS, the District Improvements would be typically maintained by District in accordance

with its minimum standard levels of maintenance; and

WHEREAS, Master Association has been created by Developer to manage, maintain, and administer certain portions of the Property, including but not limited among other functions to maintain the District Improvements; and

WHEREAS, the Parties agree that, upon acquisition by District of a property interest in the District Improvements and upon their installation in the underlying real property, it is in their common interest for Master Association to assume responsibility to maintain District Improvements at or in excess of the minimum standards and other requirements provided in **Exhibits “E”** (Minimum Maintenance Standards) and **“F”** (Minimum Insurance Requirements) of this Agreement; and

WHEREAS, the Parties acknowledge that, in providing this service, Master Association shall constitute a “Contractor” within the meaning of Section 119.0701, Florida Statutes (Public Records), with regard only to the maintenance and production to the public upon appropriate request of records involving the maintenance services required by this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants, understandings and agreements contained herein, Developer, Master Association, and District agree as follows:

SECTION 1. RECITALS. The above recitals are deemed true and correct to the best of their knowledge and are incorporated into this Agreement and made a part hereof.

SECTION 2. PARTIES TO THE AGREEMENT. The Parties to this Agreement are as follows:

(A) District is an independent special district of the State of Florida created and operating pursuant to Chapter 2005-339, Laws of Florida, as amended, and applicable provisions of Chapter 298, Florida Statutes.

(B) Developer is a Delaware limited liability company, registered to do business in Florida.

(C) Master Association is a Florida not-for-profit corporation.

Notwithstanding the fact that Developer intends, but is not obligated, to develop all or portions of the Property as a high-end mixed use project and convey all or portions of the Property to other owners, Developer with respect to such Property owned by Declarant or a Related Entity (defined below), or Master Association, as to all or any portion of the Property owned by any other person or entity, shall be the only representative to act for and on behalf of each owner of the Property with respect to this Agreement; provided, however, that this shall not relieve any owner from complying with this Agreement. Whenever Developer or Master Association gives its acknowledgment, consent, understanding, or agreement with respect to this Agreement, such acknowledgment, consent, understanding, or agreement shall be deemed to also have been given by each owner and shall be absolutely binding on each such owner. Notwithstanding the foregoing, for as long as Developer or a Related Entity owns any portion of the Property, any acknowledgment, consent, understanding, or agreement by Master Association with respect to this

Agreement shall only be effective upon the prior written approval of Developer. “Related Entity” means a person or entity that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, Developer.

SECTION 3. DESCRIPTION OF DISTRICT IMPROVEMENTS. The District Improvement(s) which are the subject of this Agreement are identified in attached **Exhibits “D-1” and “D-2”**. For clarity, the District Improvements identified in **Exhibits “D-1” and “D-2”**, inclusive, are schematic diagrams showing the general location and nature of District Improvements (e.g., lakes, culverts, water control structures wetlands, etc.) for instructional purposes, and are not intended to convey to the District any interest in any portion of the Property

SECTION 4. MAINTENANCE RESPONSIBILITIES. District, Developer and Master Association hereby agree as follows:

(A) Master Association shall be solely responsible for all costs and liabilities that are associated with or arise out of Master Association’s provision of those Maintenance Services described in attached **Exhibit “E”** (the “Minimum Maintenance Service Standards”). Each year during the Term (hereafter defined), Master Association shall in writing provide a budget to District reflecting the costs budgeted by Master Association for performing the Maintenance Services for the coming fiscal year, including related capital improvements, for such year, which budget shall be deemed automatically approved by District without further action by District, unless within thirty (30) days of receipt of such Notice District objects in writing, specifying the basis for its objection.

(B) The Maintenance Services shall be provided by Master Association in a competent and professional manner using qualified and experienced employees or contractors, with such frequency as is necessary and reasonable in the industry and under the circumstances in order to ensure that District Improvement(s) is/are properly maintained and continue to function in accordance with its/their intended purpose. In addition, because District Improvement(s) require different types of maintenance, the maintenance intervals and the time periods within which maintenance tasks must be performed by Master Association shall be flexible and adjusted periodically depending on the condition of each District Improvement and its maintenance needs.

SECTION 5. RESPONSIBILITY FOR ACTS OF FORCE MAJEURE. District, Developer, and Master Association agree that the Maintenance Services herein or subsequently assumed by Master Association are not intended nor do they include the repair or replacement of a District Improvement that is damaged as a direct result of a hurricane, tornado, freeze damage, fire, drought (if so officially declared as such by South Florida Water Management District) or flooding, provided such damage did not result from any negligent act or omission of Master Association, or could have been avoided through the exercise of reasonable due care by Master Association.

Rather, the repair and/or replacement of such damage to a District Improvement shall be the responsibility of District; provided, however, that the timing and extent of District’s repair and/or replacement of same shall be determined by District at its sole reasonable discretion. Further, any and all expenses or costs that may be incurred by District in order to repair or replace such a damaged District

Improvement shall be paid solely through funds collected as a result of District's levy of non-ad valorem assessments upon the assessable real property located within Unit 1A.

SECTION 6. COMPLIANCE WITH GOVERNMENTAL REGULATIONS. The Maintenance Services once assumed by Master Association for District Improvements shall be carried out in strict compliance with all required governmental entities' and agencies' permits, requirements, rules, acts, orders, regulations and restrictions, including, but not limited to, the following entities: (A) Hobe-St. Lucie Conservancy District, (B) South Florida Water Management District, (C) Florida Department of Environmental Protection, (D) Martin County and (E) any other applicable governmental agency.

SECTION 7. DISTRICT INGRESS AND EGRESS. The assumption by Master Association of the provision of Maintenance Services for District Improvements shall in no way interfere with District's right of ingress and egress to said Improvement or its inspection.

SECTION 8. EMERGENCY INTERVENTION BY DISTRICT. In the event of an emergency, as so determined by District in its reasonable sole discretion, and regardless of any language in this Agreement to the contrary, District reserves the unilateral right to implement or initiate, without advance notice, the following:

(A) the provision of maintenance for any one or more of the District Improvements, and

(B) the upgrade, removal, repair, relocation and/or replacement, as the case may be, of an Improvement.

It being understood that following termination of the emergency event and conclusion of emergency remedial actions, if any, District shall so notify Developer and Master Association and Master Association shall thereupon be obligated to resume the provision of Maintenance Services for the subject District Improvement(s).

SECTION 9. REMEDIES UPON DEFAULT. District may elect any one of the following remedies if Master Association should default in carrying out the terms and conditions of this Agreement:

(A) In the event Master Association should fail to comply or satisfy the requirements of Sections 6 or 11 of this Agreement or ceases to exist in good standing with the State of Florida, such failure shall be deemed a **material** breach of the Agreement. In which event, District, at its sole discretion and on 5 business days advance written notice to Developer and Master Association without cure (or such other longer period if it is not possible to cure such breach within 5 days), may elect to initiate its own maintenance program and assume full control of the provision of such maintenance over some or all of the District Improvements.

(B) If Master Association should fail, refuse or neglect to furnish any one or more of the required Maintenance Services within thirty (30) days from the date of receipt of a District written notice of default, then in that event District, at its sole discretion and without further notice, may elect to initiate a maintenance program and assume full control and maintenance responsibility as to some or all of the District

Improvements.

(C) At such time as District should initiate a maintenance program for a District Improvement (following receipt of written notice from District), Master Association shall thereupon immediately discontinue the provision of Maintenance Services as to same until such time as is otherwise agreed to by and between the Parties hereto. Further, in such event, Developer and Master Association agree as follows:

(i) Upon District's institution of a maintenance program for any one or more of the District Improvements and every three (3) months thereafter, District shall issue to Master Association a written invoice setting forth the estimated amount of money District reasonably calculates it will need to have on hand, for the next three (3) months, in order to implement and carry out its maintenance program. Master Association shall be required to pay to District such sum of money for each such upcoming three (3) months in order for District to implement and carry out its maintenance program, with each such payment to be paid within thirty (30) days of receipt of District's invoice.

(ii) The quarterly payment amounts shall be determined by District and based upon the amount of money that District reasonably anticipates it will have to expend, in three (3) month increments, from the date of its initiation of a District maintenance program to the date that District anticipates receiving, through its normal levy and assessment process, sufficient non-ad valorem maintenance assessments for such maintenance activity.

(D) In the alternative, if District reasonably believes that Association is or has failed to carry out any one or more of the Maintenance Services as herein assumed by it, or Master Association fails to make proper payment to District as herein required, District may elect to take such legal or administrative action as District deems necessary in order to compel compliance; provided, however, before District may initiate any such action for Master Association's failure to provide Maintenance Services, District must first provide thirty (30) day advance written notice to Developer and Master Association of the nature of the alleged default. Master Association, following the date of receipt of said notice, shall then have thirty (30) calendar days to take appropriate and substantive remedial action to alleviate the alleged default.

SECTION 10. INDEMNIFICATION. Master Association does hereby indemnify and hold harmless District, its Board of Supervisors, officers, managers, personnel, invitees and/or consultants of and from any and all loss or liability that District may sustain by reason of Master Association's assumption of any of the Maintenance Services, as may result from or arise out of Master Association's misfeasance, malfeasance, non-feasance, negligence or failure to carry out its obligations under this Agreement, with said indemnification and hold harmless to include but not be limited to: (A) direct costs and damages, (B) indirect or consequential costs and damages (provided there is a proximate cause relationship) and (C) any and all injuries and/or damages sustained by persons or damage to property, including such reasonable attorney fees and costs (including appellate or mediation) that may be incurred by District that relate thereto. Provided, however, it is understood and agreed that this Section does not indemnify or hold harmless District for Master Association's misfeasance, malfeasance, non-feasance, negligence or failure to carry out the terms and conditions of this Agreement if same is caused by, or at the direction of District.

SECTION 11. INSURANCE. Master Association shall be required, on or before the date of the

execution of this Agreement and without any interruption or lapse thereafter, to provide to District, a Certificate of Insurance and policy endorsement reflecting insurance coverage for Master Association in such amounts and in accordance with the requirements set forth on attached **Exhibit “F”**. Further said Certificate of Insurance shall on its face reflect the following:

(A) District as an additional named insured to the extent set forth on attached **Exhibit “F”**.

(B) District as the certificate holder of the Certificate of Insurance.

(C) That the insurance coverage represented by the Certificate of Insurance shall not be terminated or reduced unless thirty (30) days prior written notice of such termination or reduction (or ten (10) days if canceled for non-payment) is mailed by first class U.S. Mail to District.

SECTION 12. EARLY TERMINATION. Except as otherwise permitted in this Agreement, District, or Master Association (subject to Developer’s prior written approval for as long as Developer or any Related Entity owns any portion of the Property), may terminate this Agreement on October 1st of any subsequent year (excluding the year of the Agreement’s Effective Date as defined in Section 14(M)) but only following the delivery of written notice of such intent to terminate to the other Parties on or before March 1st of such year, i.e., six (6) months prior advance notice of intent to terminate must be given to the other Parties.

SECTION 13. TERM OF THE AGREEMENT. Unless terminated as otherwise permitted in this Agreement, the term of this Agreement (the “Term”) shall not extend beyond twenty-four (24) years from the Effective Date hereof. Nothing herein prohibits the Parties hereto from entering into a new agreement similar to the Agreement upon the expiration of the Term

SECTION 14. MISCELLANEOUS PROVISIONS.

(A) **Notices.** Except as otherwise provided in this Agreement, all notices, requests, consents and other communications required or permitted under this Agreement shall be in writing and shall be (as elected by the person giving such notice) hand delivered by prepaid express overnight courier or messenger service, or mailed (airmail if international) by registered or certified mail (postage prepaid), return receipt requested, to the following addresses:

AS TO DISTRICT:

HOBE-ST. LUCIE CONSERVANCY DISTRICT

c/o Special District Services, Inc.
2501A Burns Road
Palm Beach Gardens, Florida 33410
Attention: District Manager
Phone: (561) 630-4922

AS TO DEVELOPER:

DISCOVERY HOBE SOUND INVESTORS, LLC

14605 North 73rd Street
Scottsdale, Arizona 85260
Attention: Jeffrey Holland, Esq.

With copy to:

Joseph L. Arenson, Esq.
Discovery Hobe Sound Investors, LLC
257 N. Canon Drive, Suite 300
Beverly Hills, CA 90210

AS TO MASTER ASSOCIATION:

ATLANTIC FIELDS MASTER ASSOCIATION, INC.

c/o Discovery Hobe Sound Investors, LLC
14605 North 73rd Street
Scottsdale, Arizona 85260
Attention: Jeffrey Holland, Esq.

With copy to:

Joseph L. Arenson, Esq.
Atlantic Fields Master Association, Inc.
c/o Discovery Hobe Sound Investors, LLC
257 N. Canon Drive, Suite 300
Beverly Hills, CA 90210

[24-0314]

Notice shall be deemed received as of the date actually delivered (as documented by affidavit of personal service, airbill, tracking through the service, or return receipt, as applicable), or if delivery is refused, on the date of such refusal (as documented by affidavit of personal service, airbill, tracking through the service, or notice or other confirmation from a United States Post Office, as applicable). From time to time, the Parties may designate a different address by notice given in the manner provided for above, not less than 5 days prior to the effective date of the change, and unilaterally amend this Agreement to reflect this change.

(B) **Entire Agreement; Amendment.** This Agreement represents the entire understanding and agreement between the Parties with respect to the subject matter hereof. Except as otherwise provided in this Agreement, this Agreement may not be changed, altered, released, or modified except in writing signed by each Party; provided however, that at such time as Developer no longer retains control of the Master Association, Developer's consent to change, alteration or release of this Agreement shall no longer be required.

(C) **Binding Effect.** All of the terms and provisions of this Agreement, whether so expressed or not, shall be binding upon, inure to the benefit of, and be enforceable by the Parties and their respective legal representatives, successors and permitted assigns.

(D) **Assignability.** This Agreement may not be assigned without the prior written consent of all Parties to this Agreement, provided such consent may not be unreasonably withheld.

(E) **Severability.** If any part of this Agreement is contrary to, prohibited by or deemed invalid under applicable law or regulation, such provision shall be inapplicable and deemed omitted to the extent so contrary, prohibited or invalid, but the remainder hereof shall not be invalidated thereby and shall be given full force and effect so far as possible.

(F) **Governing Law and Venue.** This Agreement and all transactions contemplated by this Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Florida without regard to any contrary conflicts of laws principle. Venue of all proceedings in connection herewith shall be exclusively in the Nineteenth Judicial Circuit in and for Martin County, Florida, and each Party hereby waives whatever their respective rights may have been in the selection of venue.

(G) **Waiver of Jury Trial.** **THE PARTIES HEREBY WAIVE ANY RIGHTS ANY OF THEM MAY HAVE TO A JURY TRIAL IN ANY LITIGATION ARISING OUT OF OR RELATED TO THIS AGREEMENT AND AGREE THAT THEY SHALL NOT ELECT A TRIAL BY JURY. THE PARTIES HAVE SEPARATELY, KNOWINGLY AND VOLUNTARILY GIVEN THIS WAIVER OF RIGHT TO TRIAL BY JURY WITH THE BENEFIT OF THE AVAILABILITY OF COMPETENT LEGAL COUNSEL.**

(H) **Time of the Essence.** Time is of the essence with respect to this Agreement.

(I) **Headings.** The headings contained in this Agreement are for the convenience of reference only, and shall not limit or otherwise affect in any way the meaning of interpretation of this Agreement.

(J) **Right of Remedies.** The failure of any Party to insist on a strict performance of any of the terms and conditions hereof shall be deemed a waiver of the rights of remedies that the Party may have regarding that specific instance only, and shall not be deemed a waiver of any subsequent breach or default in any terms and conditions.

(K) **Construction.** The Parties acknowledge that each has shared equally in the drafting and construction of this Agreement and, accordingly, no Court construing this Agreement shall construe it more strictly against one Party than the other and every covenant, term and provision of this Agreement shall be construed simply according to its fair meaning.

(L) **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

(M) **Effective Date.** This Agreement shall be effective upon the later of execution by the Parties and recordation of the Plat in the Public Records of Martin County, Florida ("Effective Date").

(N) **Public Records.** Master Association will comply with the applicable provisions of §119.0701, Florida Statutes (Public Records) as follows:

(1) **IF MASTER ASSOCIATION HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO MASTER ASSOCIATION'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS AGREEMENT, CONTACT RECORDS CUSTODIAN, HOBE-ST. LUCIE CONSERVANCY DISTRICT c/o SPECIAL DISTRICT SERVICES, INC., AT 561-630-4922, 2501A BURNS ROAD, PALM BEACH GARDENS, Florida, 33410.**

(2) Specifically, Master Association shall:

- (a) Keep and maintain public records required by District to provide Maintenance Services.
- (b) Upon request from District's custodian of public records, provide District with a copy of the requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided in chapter 119, F.S. or as otherwise provided by law or District Policy.

- (c) Ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law for the duration of the Agreement term and following completion of the Agreement if Master Association does not transfer the records to District.
- (d) Upon completion of the Agreement, transfer, at no cost, to District all public records in Master Association's possession or keep and maintain public records required by District to provide Maintenance Services. If Master Association transfers all public records to District upon completion of the Agreement, Master Association shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. If Master Association keeps and maintains public records upon completion of the Agreement, Master Association shall meet all applicable requirements for retaining public records. All records stored electronically must be provided to District upon request from District's custodian of public records, in a format that is compatible with District's information technology systems.

(O) **Florida Inspector General.** Master Association understands and shall comply and cooperate with the requirements of the Inspector(s) General of the State of Florida in any investigation, audit, inspection, review, or hearing conducted pursuant to §20.055, Florida Statutes, or otherwise by law.

(P) **Sovereign Immunity.** Regardless of any language herein to the contrary, District has not, nor shall it be deemed to have, waived or increased its limited liability under Section 768.28, Florida Statutes.

(Q) **E-VERIFY:** Master Association warrants compliance with all federal immigration laws and regulations that relate to its employees and subcontractors. Master Association agrees and acknowledges that commencing January 1, 2021, District, as a public employer, is subject to the E-Verify requirements set forth in Section 448.095, Florida Statutes, and that the provisions of Section 448.095, Florida Statutes shall thereupon apply to contracts entered into or renewed on or after said commencement date. In compliance therewith, and following the January 1, 2021 commencement date, if District has a good faith belief: (a) that Master Association has knowingly hired, recruited or referred an alien who is not authorized to work under this contract by the immigration laws or the Attorney General of the United States and is in violation of Section 448.09(1), Florida Statutes, District shall terminate this contract, or (b) that a subcontractor performing work for Master Association under this contract has knowingly hired, recruited or referred an alien who is not duly authorized by the immigration laws or the Attorney General of the United States to work under this contract, District shall promptly notify Master Association and Developer and order Master Association to immediately terminate its agreement with said subcontractor as to this contract. Master Association shall be liable for any additional costs incurred by District as a result of the termination of the contract based on Master Association's failure to comply with E-Verify requirements referenced herein.

(R) **Tax Benefits.** Master Association agrees that it is not entitled to and will not take any tax position inconsistent with being a service provider with respect to the District Improvements. Master Association agrees not to take any depreciation or amortization, investment tax credit or deduction for any payment as rent with respect to the District Improvements.

[SIGNATURES ON FOLLOWING PAGES; REMAINDER OF PAGE INTENTIONALLY LEFT BLANK.]

[Signature page for Maintenance Agreement]

EXECUTED by DEVELOPER, this _____ day of _____, 2024.

**DISCOVERY HOBE SOUND
INVESTORS, LLC,**
a Delaware limited liability company

By: _____
Joseph Arenson, Vice President

[SIGNATURES CONTINUE ON FOLLOWING PAGE]

[Signature Page for Maintenance Agreement]

EXECUTED by MASTER ASSOCIATION, this _____ day of _____, 2024.

MASTER ASSOCIATION:

**ATLANTIC FIELDS MASTER
ASSOCIATION, INC.,**
a Florida not-for-profit corporation

By: _____
Joseph Arenson, President

[SIGNATURES CONTINUE ON FOLLOWING PAGE]

[Signature page for Maintenance Agreement]

Executed by **DISTRICT** this _____ day of _____, 2024.

**HOBE-ST. LUCIE CONSERVANCY
DISTRICT**, an Independent Special District of
the State of Florida

By: _____
Rick Melchiori,
President

(District Seal)

EXHIBIT “A”
LEGAL DESCRIPTION OF DEVELOPER PROPERTY

All of the property which is subject to the Plat of Discovery PUD, less and except the District Property, as described in Exhibit “B”.

EXHIBIT “B”
LEGAL DESCRIPTION OF DISTRICT PROPERTY

Water Management Tracts (Tracts L1A, L1B and L2 through L14 inclusive) dedicated to District in fee simple as shown on the Plat of Discovery PUD.

Habitat Restoration Area Tract (HRA Tract) dedicated to District in fee simple as shown on the Plat of Discovery PUD.

**EXHIBIT “C”
DESCRIPTION OF DEVELOPER PROPERTY
SUBJECT TO PLATTED EASEMENTS
WITHIN WHICH DISTRICT IMPROVEMENTS ARE LOCATED**

Those Easement Areas dedicated to District by the Plat of Discovery PUD for access, maintenance or other purposes.

EXHIBIT "D-1" **DISTRICT IMPROVEMENT SITES**

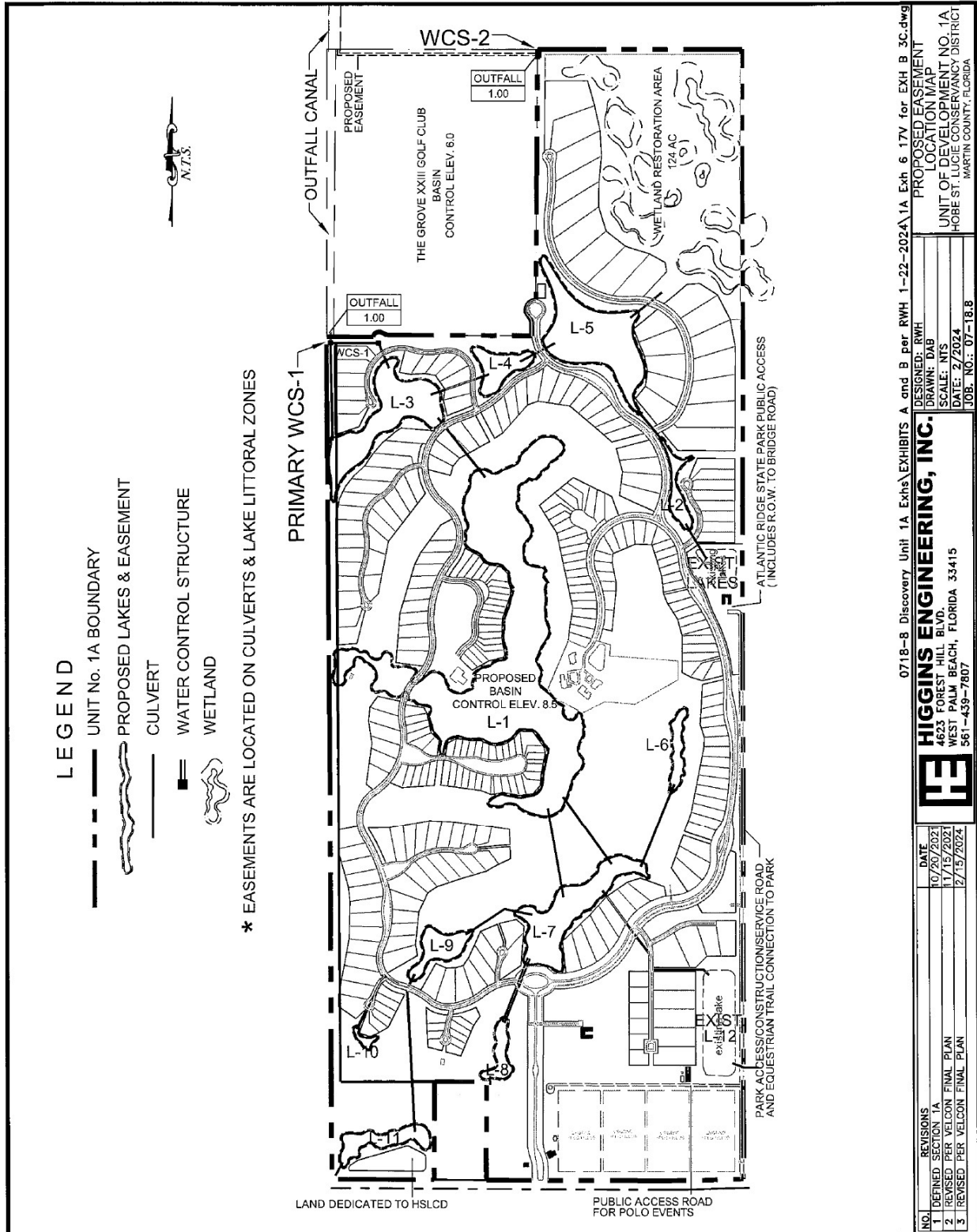
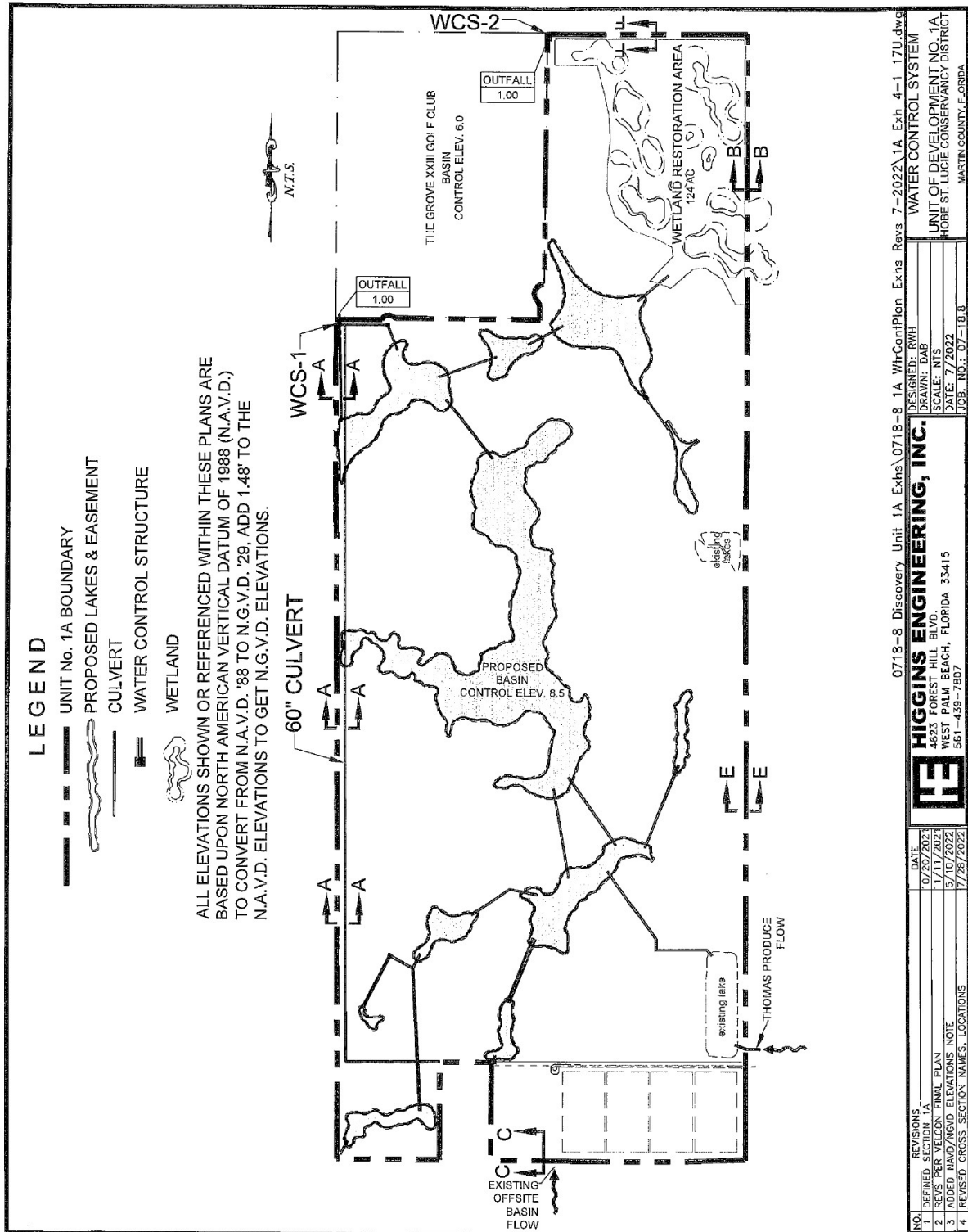
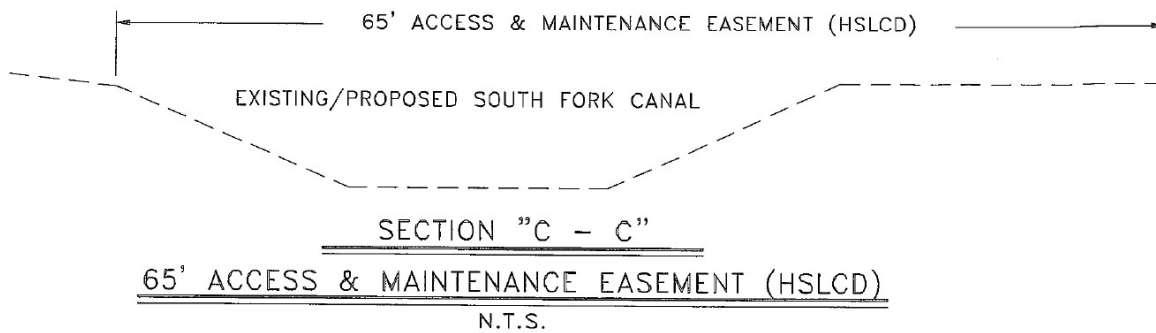
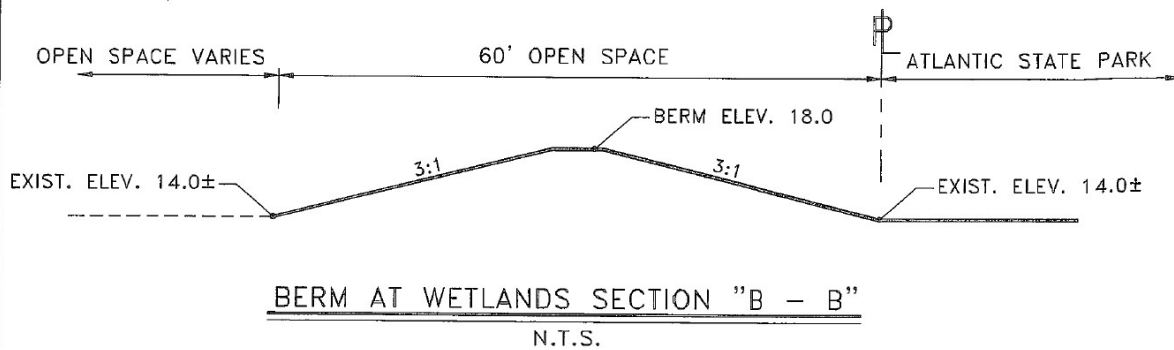
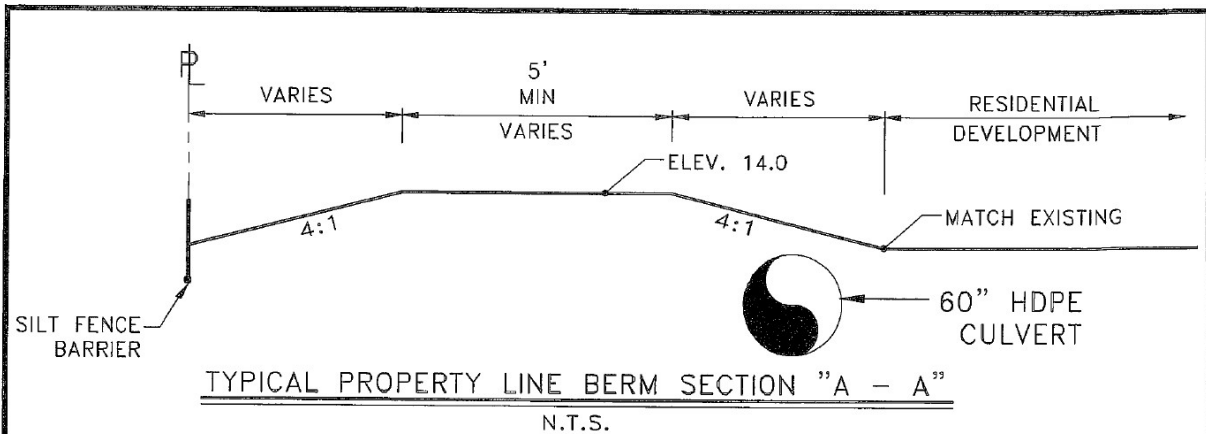


EXHIBIT "D-2" **DISTRICT IMPROVEMENT SITES: BOUNDARY BERM LOCATIONS**



BOUNDARY BERM CROSS-SECTIONS



0718-8 Discovery Unit 1A Exhs\0718-8 1A WtrContPlan Exhs Revs 7-2022
 \1A Exh 4-2 Xsects 14P.dwg

NO.	REVISIONS	DATE
1	MISC. SECTION A-A	5/11/2022
2	REV. SECTION B-B	7/28/2022



HIGGINS ENGINEERING, INC.
 4623 FOREST HILL BLVD.
 WEST PALM BEACH, FLORIDA 33415
 561-439-7807

DESIGNED: RWH
 DRAWN: DAB
 SCALE: NTS
 DATE: 7/2022
 JOB NO.: 07-18.8

CROSS SECTIONS
 WATER CONTROL SYSTEM MAP
 UNIT OF DEVELOPMENT NO. 1A
 HOBE ST. LUCIE CONSERVANCY DISTRICT
 MARTIN COUNTY, FLORIDA

BOUNDARY BERM CROSS-SECTIONS

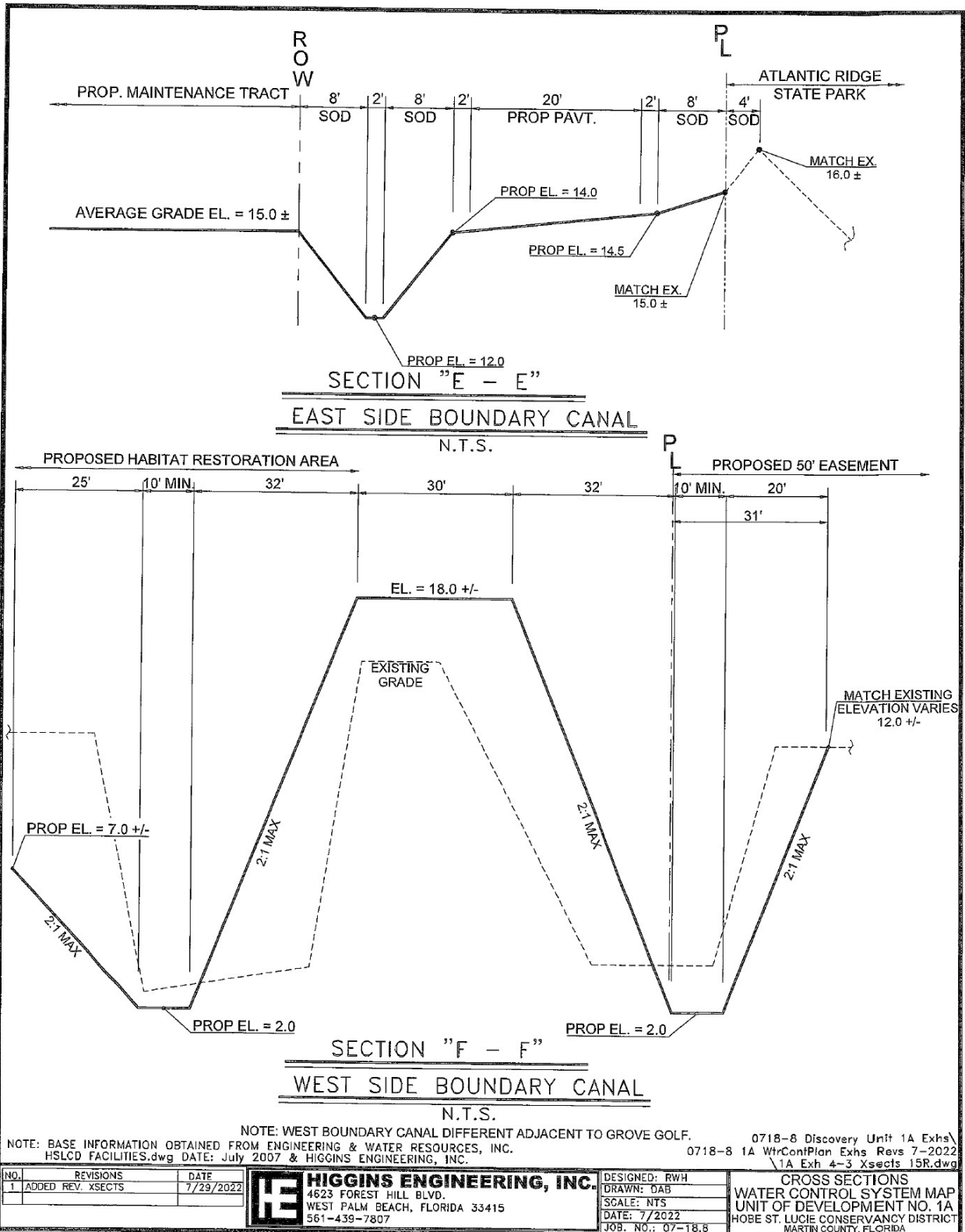


EXHIBIT “E”

MINIMUM MAINTENANCE SERVICE STANDARDS: **UNIT 1A DISTRICT IMPROVEMENTS¹**

The following minimum maintenance services shall be provided for any District Improvements located within Unit 1A owned by District, as applicable:

1. Discharge Canal:

Inspections: Inspections shall be performed once per month.

Aquatic Weed Control: Shall be provided as needed or once every year minimum.

Bank Restoration and Sediment Removal: Shall be performed on an as needed basis.

Mowing: Canal Rights-of-Way shall be mowed once (1) per every three (3) months.

2. Culverts and Culvert Enclosures:

Culvert uses are limited to drainage and irrigation purposes.

Inspections: Inspections shall be performed at least one (1) time per year or more.

Drainage Culvert Repair & Replacement: Maintenance shall be provided on an annual basis or as needed.

3. Primary Water Control Structures (WCS-1 and WCS-2):

Inspections: Inspections shall be performed one (1) time per month.

Remedial Structure Repairs: General repairs shall be on an as needed basis.

4. Boundary Berms:

Inspections: Inspections of all berms surrounding the project shall be performed every six (6) months.

Remedial Berm Maintenance: General repairs shall include all gates and fences including perimeter berms accessibility and security. All repairs shall be on an as needed basis.

1. **NOTE:** Maintenance of District Irrigation System Improvements is addressed in a separate Agreement.

5. Lake Tracts (L1A, L1B, and L2 through L14, inclusive):

Inspections: Inspections of all lake tracts shall be performed monthly. Littoral Zones shall be inspected quarterly.

Maintenance: Mowing of the lake tracts shall be performed one (1) time per week. Eradication of all invasive non-native and nuisance vegetation shall be performed on an annual basis.

6. Habitat Restoration Area (HRA Tract)

HRA Tract shall be restored and maintained according to the requirements of the approved “Discovery PUD Habitat Restoration and Management Plan”, prepared by EW Consultants, Inc., dated December 2021, revised June 2022, as it may be revised from time to time.

Inspections: Inspections shall be performed every six (6) months or as needed.

Maintenance: Trash shall be removed every three (3) months. Eradication of all invasive non-native and nuisance vegetation shall be performed on an annual basis. Replanting of native vegetation shall be performed as necessary.

Maintenance services shall conform to and comply with all requirements of applicable permitting and regulatory authorities.

EXHIBIT “F”
MINIMUM INSURANCE REQUIREMENTS

Unless otherwise provided in the Agreement, following is the MINIMUM acceptable insurance to be carried by Master Association:

I. Commercial General Liability:

(A) Bodily Injury Limit:

\$1,000,000	Each Occurrence
\$1,000,000	Annual Aggregate

Property Damage Limit:

\$1,000,000	Each Occurrence
\$1,000,000	Annual Aggregate

(B) or a Combined Single Limit of Bodily Injury and Property Damage :

\$1,000,000	Each Occurrence
\$1,000,000	Annual Aggregate

(C) The Commercial General Liability shall include Contractual Liability.

II. Automobile Liability (Any Auto) \$ 500,000 ITID Additional Insured

III. Workers Compensation

Statutory Limits and	\$ 300,000	Each Accident
	\$1,000,000	Disease-Policy Limit
Employers Liability	\$ 300,000	Disease-Each Employee

IV. Umbrella Excess Liability Insurance:

(A)	\$3,000,000	Each Occurrence
	\$3,000,000	Annual Aggregate

(B) The aforementioned umbrella coverage shall be no more restrictive than coverage required for the underlying policies.

V. Notice of Cancellation:

The insurance afforded above may not be terminated or reduced unless thirty (30) days prior written notice of such termination or reduction is mailed to District (unless terminated for non-payment in which event ten (10) days notice is required).

VI. Professional Liability (E&O) Insurance (if applicable)

- (A) \$1,000,000 per claim
- (B) \$25,000 maximum deductible per claim

VII. Insurance Certificate:

Hobe-St. Lucie Conservancy District shall be listed as an additional insured for the above Commercial, Automobile and Umbrella Liability insurance coverage and a certificate of insurance reflecting same shall be delivered to Hobe-St. Lucie Conservancy District, which certificate of insurance shall be maintained on a continuing basis throughout the Term of this Agreement.

VIII. Policy Endorsement:

Hobe-St. Lucie Conservancy District shall be a named as Additional Insured with a CG 2026 Additional Insured–Designated Person or Organization Endorsement to Contractor’s Commercial General Liability insurance Policy. The Additional insured Endorsement shall read "Hobe-St. Lucie Conservancy District, an Independent Special District of the State of Florida, its Officers, Employees and Agents". Contractor shall provide the Additional Insured Endorsements coverage on a primary basis. A copy of the Policy Endorsement(s) shall be provided to District.

IX. Acceptable Insurers

At a minimum, Insurers shall have an A. M. Best Rating of A:VII.

X. Special Risks or Circumstances for Supplemental Services

District reserves the right to modify these requirements, including limits, for Supplemental Services or Work, based on the nature of the risk, prior experience, insurer, coverage or other special circumstances involved in a project. If modifications in insurance coverage are required, such modifications will be defined in a written Work Authorization

XI. Builder’s Risk (if applicable): This coverage will be provided by all contractors involved in the construction of a new building or improvement, alteration or revision of an existing structure. Builder’s Risk coverage shall be “All Risk” with limits equal to one hundred percent (100%) of the completed value of the structure(s), building(s) or addition(s).

XII. Minimum Levels and Categories of Coverage may be revised by District on an annual basis.

This instrument was prepared by
and after recording return to:
Karen Havice, Esq.
HOLLAND & KNIGHT LLP
200 S. Orange Avenue, Suite 2600
Orlando, Florida 32801

TERMINATION OF MAINTENANCE AGREEMENT
(Becker)

This Termination of Maintenance Agreement ("Termination") is made on _____ by DISCOVERY HOBE SOUND INVESTORS, LLC, a Delaware limited liability company ("Discovery"); HOBE-ST. LUCIE CONSERVANCY DISTRICT, an independent special district of the State of Florida ("District"); BECKER B-14 GROVE, LTD., a Florida limited partnership ("Becker"); and HOBE SOUND EQUESTRIAN, LLC, a Florida limited liability company ("HSE").

A. Discovery owns all of the property ("Property") subject to the Maintenance Agreement Between District and Becker ("Agreement") dated January 24, 2018, which was unrecorded.

B. Becker and HSE are the mortgagees under a mortgage encumbering all or a portion of the Property dated October 19, 2023 and recorded in the Public Records of Martin County, Florida ("Public Records") at Official Records Book 3402, Page 1744 ("Mortgage").

C. Becker and HSE are the secured parties under a UCC-1 Financing Statement recorded in the Public Records at Official Record Book 3402, Page 1766 on October 19, 2023, encumbering all or a portion of the Property ("Fixture Filing").

D. Becker and HSE are the secured parties under a UCC-1 Financing Statement filed in the Florida Secured Transaction Registry as File Number 202302880167 on October 19, 2023 encumbering all or a portion of the Property ("Personal Property Filing"). The Fixture Filing and the Personal Property Filing collectively are the "Financing Statements."

E. Discovery and District intend to enter into a new maintenance agreement for the Property.

F. The parties intend that the Agreement be terminated, and of no further force or effect whatsoever.

G. Becker in its individual capacity, and Becker and HSE, as mortgagees under the Mortgage and secured parties under the Financing Statements, join in this Termination to consent to the Termination.

NOW, THEREFORE, in consideration of the above statements, which are true and correct, and other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, the parties agree as follows:

1. The Agreement hereby is terminated, and of no further force or effect whatsoever.
2. Becker hereby agrees to indemnify and hold harmless Discovery from and against any claim, cause of action, lawsuit, damage, liability, loss, cost, or expense (including, without limitation, reasonable attorneys' fees, including those incurred in connection with all related bankruptcy and probate matters) ("Losses") arising out of any failure of Becker to perform and observe the obligations of Becker in connection with the Agreement arising or first being due or payable prior to the date of this Termination. Discovery hereby indemnifies and holds Becker harmless from and against any and all Losses arising out of any failure of Discovery to perform and observe the obligations of Becker in connection with the Agreement arising or first being due or payable after the date of this Termination.

[Remainder of page intentionally left blank; signature pages follow.]

[Signature Page for Termination of Maintenance Agreement]

In the presence of two witnesses:

DISCOVERY:

DISCOVERY HOBE SOUND
INVESTORS, LLC,
a Delaware limited liability company

Print Name: _____

Post Office Address:

Print Name: _____

Post Office Address:

By: _____
Joseph Arenson, Vice President

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

On _____, 2024, before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Notary Public

[Signature Page for Termination of Maintenance Agreement]

In the presence of two witnesses:

DISTRICT:

HOBE-ST. LUCIE CONSERVANCY
DISTRICT,
an independent special district of the State
of Florida

Print Name:_____

Post Office Address:

By:_____
Rick J. Melchiori, President

(District Seal)

Print Name:_____

Post Office Address:

STATE OF _____)

COUNTY OF _____)

The foregoing instrument was acknowledged before me by means of [] physical presence or []
online notarization this _____ day of _____, 2024, by Rick J. Melchiori, as President of
HOBE-ST. LUCIE CONSERVANCY DISTRICT, an independent special district of the State of
Florida, on behalf of the District, who is personally known to me or has produced
_____ as identification.

Notary Public.

(Notary Seal)

My Commission Expires:_____

[Signature Page for Termination of Maintenance Agreement]

BECKER:

WITNESSES:

BECKER B-14 GROVE, LTD.,
a Florida limited partnership

By: Becker Sisters Management, LLC,
a Florida limited liability company,
Its General Partner

Print Name:_____
Post Office Address:

By:_____
Thomas W. Hurley, Manager

Print Name:_____
Post Office Address:

Print Name:_____
Post Office Address:

By:_____
Richard E. Hurley, Manager

Print Name:_____
Post Office Address:

Print Name:_____
Post Office Address:

By:_____
R. Scott Hurley, Manager

Print Name:_____

STATE OF FLORIDA)
) ss.:
COUNTY OF _____)

The foregoing instrument was acknowledged before me, by means of ☐ physical presence or ☐ online notarization, this _____ day of _____, _____, by THOMAS W. HURLEY, as Manager of Becker Sisters Management, LLC, a Florida limited liability company, as General Partner of BECKER B-14 GROVE, LTD., a Florida limited partnership, on behalf of the General Partner, who ☐ is personally known to me or ☐ has produced _____ as identification.

Notary Public – State of Florida
(Notary Seal)
My Commission Expires:_____

STATE OF FLORIDA)
) ss.:
COUNTY OF _____)

The foregoing instrument was acknowledged before me, by means of ☐ physical presence or ☐ online notarization, this _____ day of _____, _____, by RICHARD E. HURLEY, as Manager of Becker Sisters Management, LLC, a Florida limited liability company, as General Partner of BECKER B-14 GROVE, LTD., a Florida limited partnership, on behalf of the General Partner, who ☐ is personally known to me or ☐ has produced _____ as identification.

Notary Public – State of Florida
(Notary Seal)
My Commission Expires:_____

STATE OF FLORIDA)
) ss.:
COUNTY OF _____)

The foregoing instrument was acknowledged before me, by means of ☐ physical presence or ☐ online notarization, this _____ day of _____, _____, by R. SCOTT HURLEY, as Manager of Becker Sisters Management, LLC, a Florida limited liability company, as General Partner of BECKER B-14 GROVE, LTD., a Florida limited partnership, on behalf of the General Partner, who ☐ is personally known to me or ☐ has produced _____ as identification.

Notary Public – State of Florida
(Notary Seal)
My Commission Expires:_____

[Signature Page for Termination of Maintenance Agreement]

HSE:

WITNESSES:

HOBE SOUND EQUESTRIAN, LLC,
a Florida limited liability company

By: Becker B-14 Grove, Ltd.,
a Florida limited partnership
Its: Managing Member

Print Name:_____
Post Office Address:

Print Name:_____
Post Office Address:

Print Name:_____
Post Office Address:

Print Name:_____
Post Office Address:

Print Name:_____
Post Office Address:

Print Name:_____
Post Office Address:

By: Sisters Management, LLC,
a Florida limited liability company,
Its General Partner

By: _____
Thomas W. Hurley, Manager

By: _____
Richard E. Hurley, Manager

By: _____
R. Scott Hurley, Manager

STATE OF FLORIDA)
) ss.:
COUNTY OF _____)

The foregoing instrument was acknowledged before me, by means of ☐ physical presence or ☐ online notarization, this _____ day of _____, _____, by THOMAS W. HURLEY, as Manager of Becker Sisters Management, LLC, a Florida limited liability company, as General Partner of BECKER B-14 GROVE, LTD., a Florida limited partnership, the Managing Member of HOBE SOUND EQUESTRIAN, LLC, a Florida limited liability company, on behalf of the company, who ☐ is personally known to me or ☐ has produced _____ as identification.

Notary Public – State of Florida
(Notary Seal)
My Commission Expires:_____

STATE OF FLORIDA)
) ss.:
COUNTY OF _____)

The foregoing instrument was acknowledged before me, by means of ☐ physical presence or ☐ online notarization, this _____ day of _____, _____, by RICHARD E. HURLEY, as Manager of Becker Sisters Management, LLC, a Florida limited liability company, as General Partner of BECKER B-14 GROVE, LTD., a Florida limited partnership, the Managing Member of HOBE SOUND EQUESTRIAN, LLC, a Florida limited liability company, on behalf of the company, who ☐ is personally known to me or ☐ has produced _____ as identification.

Notary Public – State of Florida
(Notary Seal)
My Commission Expires:_____

STATE OF FLORIDA)
) ss.:
COUNTY OF _____)

The foregoing instrument was acknowledged before me, by means of ☐ physical presence or ☐ online notarization, this _____ day of _____, _____, by R. SCOTT HURLEY, as Manager of Becker Sisters Management, LLC, a Florida limited liability company, as General Partner of BECKER B-14 GROVE, LTD., a Florida limited partnership, the Managing Member of HOBE SOUND EQUESTRIAN, LLC, a Florida limited liability company, on behalf of the company, who ☐ is personally known to me or ☐ has produced _____ as identification.

Notary Public – State of Florida
(Notary Seal)
My Commission Expires:_____

This instrument was prepared by
and after recording return to:
Karen Havice, Esq.
HOLLAND & KNIGHT LLP
200 S. Orange Avenue, Suite 2600
Orlando, Florida 32801

TERMINATION OF MAINTENANCE AGREEMENT
(HSE)

This Termination of Maintenance Agreement ("Termination") is made on _____ by DISCOVERY HOBE SOUND INVESTORS, LLC, a Delaware limited liability company ("Discovery"); HOBE-ST. LUCIE CONSERVANCY DISTRICT, an independent special district of the State of Florida ("District"); BECKER B-14 GROVE, LTD., a Florida limited partnership ("Becker"); and HOBE SOUND EQUESTRIAN, LLC, a Florida limited liability company ("HSE").

A. Discovery owns all of the property ("Property") subject to the Maintenance Agreement Between District and HSE ("Initial Agreement") dated January 24, 2018, recorded in the Official Records Book 3020, Page 418, of the Public Records of Martin County, Florida ("Public Records"). The Initial Agreement was amended pursuant to an Amendment to Maintenance Agreement Between District and HSE dated July 23, 2019, which was unrecorded ("Amendment"). The Initial Agreement as amended by the Amendment is the "Agreement."

B. Becker and HSE are the mortgagees under a mortgage encumbering all or a portion of the Property dated October 19, 2023 and recorded in the Public Records at Official Record Book 3402, Page 1744 ("Mortgage").

C. Becker and HSE are the secured parties under a UCC-1 Financing Statement recorded in the Public Records at Official Record Book 3402, Page 1766 on October 19, 2023, encumbering all or a portion of the Property ("Fixture Filing").

D. Becker and HSE are the secured parties under a UCC-1 Financing Statement filed in the Florida Secured Transaction Registry as File Number 202302880167 on October 19, 2023 encumbering all or a portion of the Property ("Personal Property Filing"). The Fixture Filing and the Personal Property Filing collectively are the "Financing Statements."

E. Discovery and District intend to enter into a new maintenance agreement for the Property.

F. The parties intend that the Agreement be terminated, and of no further force or effect whatsoever.

G. HSE in its individual capacity, and Becker and HSE, as mortgagees under the Mortgage and secured parties under the Financing Statements, join in this Termination to consent to the Termination.

NOW, THEREFORE, in consideration of the above statements, which are true and correct, and other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, the parties agree as follows:

1. The Agreement hereby is terminated, and of no further force or effect whatsoever.
2. HSE hereby agrees to indemnify and hold harmless Discovery from and against any claim, cause of action, lawsuit, damage, liability, loss, cost, or expense (including, without limitation, reasonable attorneys' fees, including those incurred in connection with all related bankruptcy and probate matters) ("Losses") arising out of any failure of HSE to perform and observe the obligations of HSE in connection with the Agreement arising or first being due or payable prior to the date of this Termination. Discovery hereby indemnifies and holds HSE harmless from and against any and all Losses arising out of any failure of Discovery to perform and observe the obligations of HSE in connection with the Agreement arising or first being due or payable after the date of this Termination.

[Remainder of page intentionally left blank; signature pages follow.]

[Signature Page for Termination of Maintenance Agreement]

In the presence of two witnesses:

DISCOVERY:

DISCOVERY HOBE SOUND
INVESTORS, LLC,
a Delaware limited liability company

Print Name: _____

Post Office Address:

Print Name: _____

Post Office Address:

By: _____
Joseph Arenson, Vice President

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

On _____, 2024, before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Notary Public

[Signature Page for Termination of Maintenance Agreement]

In the presence of two witnesses:

DISTRICT:

HOBE-ST. LUCIE CONSERVANCY
DISTRICT,
an independent special district of the State
of Florida

Print Name:_____

Post Office Address:

By:_____
Rick J. Melchiori, President

(District Seal)

Print Name:_____

Post Office Address:

STATE OF _____)

COUNTY OF _____)

The foregoing instrument was acknowledged before me by means of [] physical presence or []
online notarization this _____ day of _____, 2024, by Rick J. Melchiori, as President of
HOBE-ST. LUCIE CONSERVANCY DISTRICT, an independent special district of the State of
Florida, on behalf of the District, who is personally known to me or has produced
_____ as identification.

Notary Public.

(Notary Seal)

My Commission Expires:_____

[Signature Page for Termination of Maintenance Agreement]

BECKER:

WITNESSES:

BECKER B-14 GROVE, LTD.,
a Florida limited partnership

By: Becker Sisters Management, LLC,
a Florida limited liability company,
Its General Partner

Print Name:_____
Post Office Address:

By:_____
Thomas W. Hurley, Manager

Print Name:_____
Post Office Address:

Print Name:_____
Post Office Address:

By:_____
Richard E. Hurley, Manager

Print Name:_____
Post Office Address:

Print Name:_____
Post Office Address:

By:_____
R. Scott Hurley, Manager

Print Name:_____

STATE OF FLORIDA)
) ss.:
COUNTY OF _____)

The foregoing instrument was acknowledged before me, by means of ☐ physical presence or ☐ online notarization, this _____ day of _____, _____, by THOMAS W. HURLEY, as Manager of Becker Sisters Management, LLC, a Florida limited liability company, as General Partner of BECKER B-14 GROVE, LTD., a Florida limited partnership, on behalf of the General Partner, who ☐ is personally known to me or ☐ has produced _____ as identification.

Notary Public – State of Florida
(Notary Seal)
My Commission Expires:_____

STATE OF FLORIDA)
) ss.:
COUNTY OF _____)

The foregoing instrument was acknowledged before me, by means of ☐ physical presence or ☐ online notarization, this _____ day of _____, _____, by RICHARD E. HURLEY, as Manager of Becker Sisters Management, LLC, a Florida limited liability company, as General Partner of BECKER B-14 GROVE, LTD., a Florida limited partnership, on behalf of the General Partner, who ☐ is personally known to me or ☐ has produced _____ as identification.

Notary Public – State of Florida
(Notary Seal)
My Commission Expires:_____

STATE OF FLORIDA)
) ss.:
COUNTY OF _____)

The foregoing instrument was acknowledged before me, by means of ☐ physical presence or ☐ online notarization, this _____ day of _____, _____, by R. SCOTT HURLEY, as Manager of Becker Sisters Management, LLC, a Florida limited liability company, as General Partner of BECKER B-14 GROVE, LTD., a Florida limited partnership, on behalf of the General Partner, who ☐ is personally known to me or ☐ has produced _____ as identification.

Notary Public – State of Florida
(Notary Seal)
My Commission Expires:_____

[Signature Page for Termination of Maintenance Agreement]

HSE:

WITNESSES:

HOBE SOUND EQUESTRIAN, LLC,
a Florida limited liability company

By: Becker B-14 Grove, Ltd.,
a Florida limited partnership
Its: Managing Member

Print Name:_____
Post Office Address:

Print Name:_____
Post Office Address:

Print Name:_____
Post Office Address:

Print Name:_____
Post Office Address:

Print Name:_____
Post Office Address:

Print Name:_____
Post Office Address:

By: Sisters Management, LLC,
a Florida limited liability company,
Its General Partner

By: _____
Thomas W. Hurley, Manager

By: _____
Richard E. Hurley, Manager

By: _____
R. Scott Hurley, Manager

STATE OF FLORIDA)
) ss.:
COUNTY OF _____)

The foregoing instrument was acknowledged before me, by means of ☐ physical presence or ☐ online notarization, this _____ day of _____, _____, by THOMAS W. HURLEY, as Manager of Becker Sisters Management, LLC, a Florida limited liability company, as General Partner of BECKER B-14 GROVE, LTD., a Florida limited partnership, the Managing Member of HOBE SOUND EQUESTRIAN, LLC, a Florida limited liability company, on behalf of the company, who ☐ is personally known to me or ☐ has produced _____ as identification.

Notary Public – State of Florida
(Notary Seal)
My Commission Expires:_____

STATE OF FLORIDA)
) ss.:
COUNTY OF _____)

The foregoing instrument was acknowledged before me, by means of ☐ physical presence or ☐ online notarization, this _____ day of _____, _____, by RICHARD E. HURLEY, as Manager of Becker Sisters Management, LLC, a Florida limited liability company, as General Partner of BECKER B-14 GROVE, LTD., a Florida limited partnership, the Managing Member of HOBE SOUND EQUESTRIAN, LLC, a Florida limited liability company, on behalf of the company, who ☐ is personally known to me or ☐ has produced _____ as identification.

Notary Public – State of Florida
(Notary Seal)
My Commission Expires:_____

STATE OF FLORIDA)
) ss.:
COUNTY OF _____)

The foregoing instrument was acknowledged before me, by means of ☐ physical presence or ☐ online notarization, this _____ day of _____, _____, by R. SCOTT HURLEY, as Manager of Becker Sisters Management, LLC, a Florida limited liability company, as General Partner of BECKER B-14 GROVE, LTD., a Florida limited partnership, the Managing Member of HOBE SOUND EQUESTRIAN, LLC, a Florida limited liability company, on behalf of the company, who ☐ is personally known to me or ☐ has produced _____ as identification.

Notary Public – State of Florida
(Notary Seal)
My Commission Expires:_____

Prepared by and Return to:

Frank S. Palen, Esquire
Caldwell Pacetti Edwards Schoech & Viator LLP
1555 Palm Beach Lakes Boulevard, Suite 1200
West Palm Beach, FL 33401

RELEASE AND TERMINATION OF EASEMENTS
(Unit of Development No. 1A)

This **RELEASE AND TERMINATION OF EASEMENTS** (the "Release") is granted as of the Effective Date (defined below) by **HOBE-ST. LUCIE CONSERVANCY DISTRICT**, an independent special district of the State of Florida, whose mailing address is c/o Special District Services, Inc., 2501A Burns Road, Palm Beach Gardens, FL 33410 (the "District").

W I T N E S S E T H:

WHEREAS, the District is the owner of certain easements that encumber real property within the jurisdictional boundaries of the District's Units of Development No. 1 and 1A, which easements are identified as follows (collectively the "Easements"), namely:

- **Easement** from Groves 14, LLC, a Florida limited liability company, as Grantor, to District, recorded January 21, 2009, in Official Records Book 2369, Page 1596, Official Records of Martin County, Florida; and
- **Easement (Relocatable)** from Groves 14, LLC, a Florida limited liability company, as Grantor, to District, recorded January 21, 2009, in Official Records Book 2369, Page 1631, Official Records of Martin County, Florida; and
- **Easement (Relocatable)** from Groves 14, LLC, a Florida limited liability company, as Grantor, to District, recorded March 12, 2009, in Official Records Book 2378, Page 2082, Official Records of Martin County, Florida; and
- **Easement (Relocatable)** from Becker B-14 Grove, Ltd., a Florida limited partnership, as Grantor and Grower, to District, recorded October 25, 2006, in Official Records Book 2191, Page 2163, Official Records of Martin County, Florida, as partially affected by a "**Release and Termination of Easements**" recorded February 5, 2018, in Official Records Book 2973, Page 1077 of the Official Records of Martin County, Florida; and
- **Easement** from Hobe Sound Equestrian, LLC, a Florida limited liability company, as Grantor, to District, recorded February 5, 2018, in Official Records Book 2973, Page 1082, Official Records of Martin County, Florida; and

WHEREAS, the District has received a request to release and terminate its interests in the Easements; and

WHEREAS, the District's Engineer has determined and advised that the District no longer needs or requires the Easements provided the hereinafter described condition is satisfied; and

WHEREAS, the District is willing to release and terminate the Easements when the Discovery P.U.D. Plat (that contains dedications to the District of such new easements as specified and accepted by the District within its Unit of Developments No. 1 and 1A as evidenced by the District's execution of such plat) is recorded in the Official Records of Martin County, Florida ("Effective Date").

NOW, THEREFORE, the Board of Supervisors of the Hobe-St. Lucie Conservancy District hereby releases and terminates the Easements as of the Effective Date; for clarity, if the Effective Date does not occur, the easements will continue. Provided, however, nothing in this Release shall terminate or affect any other easements or rights held by the District that are not expressly released and terminated by this Release.

IN WITNESS WHEREOF, the undersigned have signed and sealed this Release and Termination of Easements.

ATTEST:

**HOBE-ST. LUCIE CONSERVANCY
DISTRICT**,
an independent special district of the State
of Florida

By: _____
Mary M. Viator, Secretary

By: _____
Rick Melchiori
Title: President

[DISTRICT SEAL]

WITNESSES:

Print Name:_____

Post Office Address:

Print Name:_____

Post Office Address:

STATE OF FLORIDA)
) ss:
COUNTY OF _____)

The foregoing instrument was acknowledged before me by means of ☐ physical presence or an ☐ online notarization this _____ day of _____, 2024, by Rick Melchiori, as President of HOBE ST.-LUCIE CONSERVANCY DISTRICT, an independent special district of the State of Florida, on behalf of the said District, who is ☐ personally known to me or has produced _____ as identification.

[NOTARIAL SEAL]

Print

Name: _____

Notary Public, State of Florida

Commission #: _____

My Commission Expires: _____

RESOLUTION NO. 2024-06

RESOLUTION OF THE BOARD OF SUPERVISORS OF HOBE-ST. LUCIE CONSERVANCY DISTRICT, DESIGNATING AUTHORIZED REPRESENTATIVES TO EXECUTE PLATS, AND EXECUTE INSTRUMENTS CONTAINING THE ACCEPTANCE OF INTERESTS IN REAL PROPERTY ON BEHALF OF THE DISTRICT

WHEREAS, Hobe-St. Lucie Conservancy District (hereafter “District”) is an independent special district duly organized and validly existing under the Constitution and the Laws of the State of Florida, including the applicable provisions of Chapter 298, Florida Statutes, and Chapter 2005-339, Laws of Florida, as amended and / or supplemented (together the “Act”); and

WHEREAS, from time to time a need arises for the District to sign plats and accept interest in real property without the delay of awaiting consideration at the Board of Supervisors Meeting; and

WHEREAS, the Board intends to herein establish which of its duly elected and appointed officers shall have the authority to sign plats and accept conveyances of real property interests on behalf of the District, including the execution of instruments that contain the acceptance of conveyances of real property interest to the District without first having the to have such documents first considered at the Board of Supervisors Meeting.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF HOBE-ST. LUCIE CONSERVANCY DISTRICT AS FOLLOWS:

Section 1. The District’s President or Vice President are each hereby authorized and designated to act, individually, on behalf of and as the Districts’ Designated Representatives and agents for the purpose of: (a) executing plats and (b) accepting interests in real property on behalf of the District, including executing instruments containing the acceptance of interests in real property, without the plat or such acceptance having been considered and approved by the Board of Supervisors.

Section 2. Prior to the exercise of the above specified authorizations by a Designated Representative, the Designated Representative must receive: (a) a recommendation for such acceptance from the District Engineer and (b) approval of the form of the plat or instrument from District Counsel. Following execution and recording in the official records of Martin County, a true and correct copy of the plat or instrument shall be included in the public recorders of District.

Section 3. All resolutions or parts of resolutions in conflict herewith are hereby repealed.

Section 4. This Resolution shall become effective immediately upon its adoption.

THIS RESOLUTION PASSED AND WAS ADOPTED BY THE BOARD OF
SUPERVISORS OF HOBE-ST. LUCIE CONSERVANCY DISTRICT THE 27th DAY OF
MARCH, 2024

(DISTRICT SEAL)

HOBE-ST. LUCIE CONSERVANCY DISTRICT

By: _____
President

ATTEST: _____
Secretary