



Rizzetta & Company

# **Veranda Community Development District II**

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## **Board of Supervisors Meeting November 16, 2023**

**District Office:  
8529 South Park Circle  
Suite 330  
Orlando, FL 32819**

# VERANDA COMMUNITY DEVELOPMENT DISTRICT II

<b>District Board of Supervisors</b>	Grady Miars	Chairman
	Austin Burr Robert	Vice Chairman
	Robert Nelson	Assistant Secretary
	Nelson James Jahna	Assistant Secretary
	Ben Meyers	Assistant Secretary
<b>District Manager</b>	Brian Mendes	Rizzetta & Company, Inc.
<b>District Counsel</b>	Jonathan Johnson	Kutak Rock LLP.
<b>District Engineer</b>	Roberto Cabrera	Culpepper & Terpening, Inc.

**All Cellular phones and pagers must be turned off while in the meeting room.**

**The District Agenda is comprised of five different sections:**

The meeting will begin promptly at **11:00 a.m.** with the first section which is called **Audience Comments on Agenda Items**. The Audience Comment portion of the agenda is where individuals may comment on matters that concern the District. Each individual is limited to three (3) minutes for such comment. The Board of Supervisors or Staff is not obligated to provide a response until sufficient time for research or action is warranted. IF THE COMMENT CONCERNS A MAINTENANCE RELATED ITEM, THE ITEM WILL NEED TO BE ADDRESSED BY THE DISTRICT MANAGER OUTSIDE THE CONTEXT OF THIS MEETING. The second section is called **Business Administration**. The Business Administration section contains items that require the review and approval of the District Board of Supervisors as a normal course of business. The third section is called **Staff Reports**. This section allows the District Manager, Engineer, and Attorney to update the Board of Supervisors on any pending issues that are being researched for Board action. The fourth section is called **Business Items**. The business items section contains items for approval by the District Board of Supervisors that may require discussion, motion and votes on an item-by-item basis. If any member of the audience would like to speak on one of the business items, they will need to register with the District Manager prior to the presentation of that agenda item. Occasionally, certain items for decision within this section are required by Florida Statute to be held as a Public Hearing. During the Public Hearing portion of the agenda item, each member of the public will be permitted to provide one comment on the issue, prior to the Board of Supervisors' discussion, motion and vote. Agendas can be reviewed by contacting the Manager's office at (407) 472-2471 at least seven days in advance of the scheduled meeting. Requests to place items on the agenda must be submitted in writing with an explanation to the District Manager at least fourteen (14) days prior to the date of the meeting. The final section is called **Supervisor Requests and Audience Comments**. This is the section in which the Supervisors may request Staff to prepare certain items in an effort to meet residential needs and provides members of the audience the opportunity to comment on matters of concern to them that were not addressed during the meeting.

Public workshops sessions may be advertised and held in an effort to provide informational services. These sessions allow staff or consultants to discuss a policy or business matter in a more informal manner and allow for lengthy presentations prior to scheduling the item for approval. Typically, no motions or votes are made during these sessions.

Pursuant to provisions of the Americans with Disabilities Act, any person requiring special accommodations to participate in this meeting is asked to advise the District Office at (407) 472-2471, at least 48 hours before the meeting. If you are hearing or speech impaired, please contact the Florida Relay Service at 7-1-1, who can aid you in contacting the District Office.

Any person who decides to appeal any decision made by the Board with respect to any matter considered at the meeting is advised that this same person will need a record of the proceedings and that accordingly, the person may need to ensure that a verbatim record of the proceedings is made, including the testimony and evidence upon which the appeal is to be based.

**VERANDA COMMUNITY DEVELOPMENT DISTRICT II**  
District Office · Orlando, Florida · (407) 472-2471  
Mailing Address · 3434 Colwell Avenue, Suite 200, Tampa, Florida 33614

[www.verandacdd2.org](http://www.verandacdd2.org)

October 10<sup>th</sup>, 2023

Board of Supervisors  
**Veranda Community  
Development District II**

**FINAL AGENDA**

Dear Board Members:

The meeting of the Board of Supervisors of the Veranda Community Development District II will be held on **Thursday, November 16, 2023, at 2:30 p.m.** at the **Office of Greenpointe Communities, LLC** located at **864 S.E. Becker Road, Port St. Lucie Florida 34984**. The following is the final agenda for the meeting:

- 1. CALL TO ORDER/ROLL CALL**
- 2. PUBLIC COMMENT**
- 3. BUSINESS ADMINISTRATION**
  - A. Consideration of Minutes of Meeting from the Board of Supervisors Meeting held on October 10, 2023 ..... Tab 1
  - B. Ratification of Operation and Maintenance Expenditures for the Months of September & October 2023 ..... Tab 2
- 4. BUSINESS ITEMS**
  - A. Consideration of Bond Related Items
    1. Consideration of Supplemental Engineer's Report (Under Separate Cover)
    2. Consideration of Preliminary Supplemental Assessment Methodology (Under Separate Cover)
    3. Ratification of Resolution 2024-02; Delegation Resolution... Tab 3
      1. Supplemental Indentures
      2. Bond Purchase Contract
      3. Preliminary Limited Offering Memorandum
      4. Continuing Disclosure Agreement
      5. Completion Agreement (Under Separate Cover)
      6. True-Up Agreement (Under Separate Cover)
      7. Acquisition Agreement (Under Separate Cover)
      8. Collateral Assignment Agreement (Under Separate Cover)
- 5. STAFF REPORTS**
  - A. District Counsel
  - B. District Engineer
    1. Consideration of Proposal for Drainage Structure Modification ..... Tab 4
  - C. District Manager
    1. DM Report
      1. Website Audit..... Tab 5
      2. Superior Waterway Pond Report ..... Tab 6
- 6. SUPERVISOR REQUESTS AND COMMENTS**
- 7. ADJOURNMENT**

We look forward to seeing you at the meeting. In the meantime, if you have any questions, please

do not hesitate to call us at (407) 472-2471.

Very truly yours,

*Brian Mendes*

Brian Mendes  
District Manager

cc: Johnthan Johnson, Kutak Rock



## **Tab 1**

**MINUTES OF MEETING**

*Each person who decides to appeal any decision made by the Board with respect to any matter considered at the meeting is advised that the person may need to ensure that a verbatim record of the proceedings is made, including the testimony and evidence upon which such appeal is to be based.*

**VERANDA  
COMMUNITY DEVELOPMENT DISTRICT II**

The meeting of the Board of Supervisors of the Veranda Community Development District II was held on **Tuesday, October 10, 2023, at 11:00 a.m.** at the Office of Greenpointe Communities located at 864 South East Becker Road, Port St Lucie, FL 34984. Following is the agenda for the meeting.

Austin Burr	<b>Board Supervisor, Vice Chairman</b>
Bo Jahna	<b>Board Supervisor, Assistant Secretary</b>
Robert Nelson	<b>Board Supervisor, Assistant Secretary</b>

Also present were:

Scott Brizendine	<b>District Manager, Rizzetta &amp; Company, Inc.</b>
Brian Mendes	<b>District Manager, Rizzetta &amp; Company, Inc.</b>
Jonathan Johnson	<b>District Counsel, Kutak Rock</b>
Roberto Cabrera	<b>District Engineer, Culpepper &amp; Terpening</b>
Kinan Husainy	<b>District Engineer, Kimley-Horn</b>

Audience	<b>Present</b>
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**FIRST ORDER OF BUSINESS****Call to Order/Roll Call**

Mr. Mendes called the meeting to order at 11:00 a.m. and confirmed a quorum.

**SECOND ORDER OF BUSINESS****Audience Comments on the Agenda  
Items**

A Member of the audience inquired about the flooding and drainage structure of the development.

A Member of the audience inquired about the flooding.

**THIRD ORDER OF BUSINESS****Consideration of Minutes of the  
Regular Meeting held on August 22,  
2023**

Mr. Mendes presented the minutes from the meeting held on August 22, 2023. No changes were requested.

On a motion by Mr. Burr, seconded by Mr. Jahna, with all in favor, the Board approved the Minutes of the Meeting held on August 22, 2023, for Veranda Community Development District II.

**FOURTH ORDER OF BUSINESS****Ratification of Operation and  
Maintenance Expenditures for  
August 2023**

Mr. Mendes presented the operation and maintenance expenditures for August 2023. There were no questions regarding any of the expenditures.

On a motion by Mr. Burr, seconded by Mr. Jahna, with all in favor, the Board ratified Operation and Maintenance Expenditures for August 2023 (\$14,110.86), for Veranda Community Development District II.

**FIFTH ORDER OF BUSINESS****Acceptance of Board Resignation**

The board of supervisors accepted the resignation of supervisor Fredrick.

On a motion by Mr. Burr, seconded by Mr. Jahna, with all in favor, the Board accepted the resignation of supervisor Fredrick, for Veranda Community Development District II.

**SIXTH ORDER OF BUSINESS****Appointment of Board Supervisor in  
Seat 4**

The board of supervisors appointed Ben Meyers Assistant Secretary. A copy of the Oath was requested by the Board of Supervisors.

On Motion by Mr. Burr, seconded by Mr. Jahna, with all in favor, the Board of Supervisors appointed Ben Meyers Assistant Secretary, for Veranda Community Development District II.

**SEVENTH ORDER OF BUSINESS****Consideration of Resolution  
2024-01, Designating Officers**

Mr. Mendes presented Resolution 2024-01, and asked if there were any questions. There were none.

On a motion by Mr. Burr, seconded by Mr. Jahna, with all in favor, the Board approved Resolution 2024-01, Designating Officers, for Veranda Community Development District II.

**EIGHTH ORDER OF BUSINESS****Consideration of Pond Maintenance  
Proposal (Under Separate Cover)**

Mr. Mendes presented the pond maintenance proposal to the board and asked if they had any questions. There were none.

On Motion by Mr. Jahna, seconded by Mr. Nelson, with all in favor, the Board of Supervisors approved Mr. Burr to approve the new pond maintenance contract, for Veranda Community Development District II.

**NINTH ORDER OF BUSINESS****Consideration of Street Drainage  
Proposal (Under Separate Cover)**

Mr. Cabrera presented the Street Drainage proposal and asked if there were any questions. There were none. Mr. Cabrera stated he had a proposal to circulate to district staff.

On a motion by Mr. Jahna, seconded by Mr. Nelson, with all in favor, the Board approved the district engineer to work with Mr. Burr to review and approve proposal, for Veranda Community Development District II.

**NINTH ORDER OF BUSINESS****Consideration of Resolution  
2024-02, (Delegation Resolution)**

Mr. Johnson presented Resolution 2024-02, and asked if there were any questions. There were none.

On a motion by Mr. Burr, seconded by Mr. Jahna, with all in favor, the Board approved Resolution 2023-02, Delegation Resolution, for Veranda Community Development District II.

**TENTH ORDER OF BUSINESS****Consideration of Sixth  
Supplemental Indenture for  
Veranda Preserve East  
Assessment Area 3**

Mr. Johnson presented the indenture to the board and asked if there were any questions. There were no questions.

On a motion by Mr. Burr, seconded by Mr. Jahna, with all in favor, the Board approved the Sixth Supplemental Indenture for Veranda Preserve East Assessment Area 3, for Veranda Community Development District II.

**ELEVENTH ORDER OF BUSINESS****Consideration of Seven  
Supplemental Indenture for  
Veranda Estates Assessment  
Area 5 Phase 2**

Mr. Johnson presented the indenture to the board and asked if there were any questions. There were no questions.

On a motion by Mr. Burr, seconded by Mr. Jahna, with all in favor, the Board approved the Seventh Supplemental Indenture for Veranda Estates Assessment Area 5 Phase 2, for Veranda Community Development District II.

**TWELFTH ORDER OF BUSINESS****Ratification of FY 2023-2024 Egis Proposal**

Mr. Mendes presented the insurance proposal to the board and asked if there were any questions. There were no questions.

On a motion by Mr. Burr, seconded by Mr. Jahna, with all in favor, the Board ratified the FY 2023-2024 Egis Insurance Proposal, for Veranda Community Development District II.

**THIRTEENTH ORDER OF BUSINESS****Acceptance of Rule G-17 Disclosure Letter**

Mr. Mendes presented the disclosure letter and asked if there were any questions. There were no questions.

On a motion by Mr. Burr, seconded by Mr. Jahna, with all in favor, the Board accepted the Rule G-17 Disclosure Letter, for Veranda Community Development District II.

**FOURTEENTH ORDER OF BUSINESS****Staff Reports****A. District Counsel**

No Report.

**B. District Engineer**

Mr. Cabrera stated that a cleaning of the outfall was done by the third week of October.

**C. District Manager**

Mr. Mendes presented the RFP to the board and MJC Land Development was awarded the contract by the board.

On a motion by Mr. Burr, seconded by Mr. Jahna, with all in favor, the Board awarded the RFP contract to MJC Land Development, for Veranda Community Development District II.

**FIFTEENTH ORDER OF BUSINESS****Audience Comments and Supervisor Requests**

There were no audience comments put forward.

There were no Supervisor requests put forward.

**SIXTEENTH ORDER OF BUSINESS****Adjournment**

On a motion by Mr. Burr, seconded by Mr. Jahna, with all in favor, the Board adjourned the Board of Supervisors' Meeting at 11:30 a.m. for Veranda Community Development District II.

152  
153  
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Secretary / Assistant Secretary

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Chairman / Vice Chairman

DRAFT

## **Tab 2**

# VERANDA COMMUNITY DEVELOPMENT DISTRICT II

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District Office · St. Augustine, FL 32084

MAILING ADDRESS · 3434 COLWELL AVENUE, SUITE 200 · TAMPA, FLORIDA 33614

WWW.VERANDACDD2.ORG

## **Operation and Maintenance Expenditures September 2023 For Board Approval**

Attached please find the check register listing the Operation and Maintenance expenditures paid from September 1, 2023 through September 30, 2023. This does not include expenditures previously approved by the Board.

The total items being presented: **\$67,397.57**

Approval of Expenditures:

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\_\_\_\_\_ Chairperson

\_\_\_\_\_ Vice Chairperson

\_\_\_\_\_ Assistant Secretary



# Veranda Community Development District II

## Paid Operation & Maintenance Expenditures

September 1, 2023 Through September 30, 2023

Vendor Name	Check Number	Invoice Number	Invoice Description	Invoice Amount
Egis Insurance Advisors, LLC	100118	19758	Policy #100123355 Renewal 10/01/23-10/01/24	\$ 15,026.00
Grau & Associates, P.A.	100111	24705	Audit FYE 09/30/22	\$ 1,100.00
Impact Landscaping & Irrigation, LLC	100108	INV-60280	Becker Road - Oak Tree Drench 07/23	\$ 7,500.00
Impact Landscaping & Irrigation, LLC	100112	INV-60729	Irrigation Repairs 08/23	\$ 720.00
Impact Landscaping & Irrigation, LLC	100113	INV-60735	Landscape Maintenance 08/23	\$ 14,878.00
Impact Landscaping & Irrigation, LLC	100113	INV-60736	Veranda P Landscape Maintenance 09/23	\$ 4,272.00
Kutak Rock, LLP	100109	3267293	Legal Services 07/23	\$ 1,107.00
Rizzetta & Company, Inc.	100107	INV0000083178	District Management Fees 09/23	\$ 4,137.50
Superior Waterway Services, Inc.	100114	89405	Lake Maintenance 09/23	\$ 1,253.51
Superior Waterway Services, Inc.	100114	89406	Lake Maintenance 09/23	\$ 200.85
Superior Waterway Services, Inc.	100116	88240	Lake Maintenance 07/23	\$ 360.50
Veranda St. Lucie Land Holdings, LLC	100115	Veranda 081023	Overpayment on Off-Roll Payment 08/23	\$ 14,769.93
Veranda St. Lucie Land Holdings, LLC	100115	Veranda II 081023	Overpayment on Off-Roll 08/23	<u>\$ 2,072.28</u>
<b>Report Total</b>				<u><b>\$ 67,397.57</b></u>



# INVOICE

<b>Customer</b>	Veranda Community Development District II
<b>Acct #</b>	844
<b>Date</b>	09/15/2023
<b>Customer Service</b>	Kristina Rudez
<b>Page</b>	1 of 1

Veranda Community Development District II  
c/o Rizzetta & Company  
3434 Colwell Ave, Suite 200  
Tampa, FL 33164

Payment Information	
<b>Invoice Summary</b>	\$ 15,026.00
<b>Payment Amount</b>	
<b>Payment for:</b>	Invoice#19758
100123355	

Thank You

Please detach and return with payment



Customer: Veranda Community Development District II

Invoice	Effective	Transaction	Description	Amount
19758	10/01/2023	Renew policy	Policy #100123355 10/01/2023-10/01/2024 Florida Insurance Alliance General Liability - Renew policy Due Date: 9/15/2023	15,026.00

**RECEIVED**  
09/28/2023

				<b>Total</b>
				\$ 15,026.00
FOR PAYMENTS SENT OVERNIGHT: Bank of America Lockbox Services, Lockbox 748555, 6000 Feldwood Rd. College Park, GA 30349				

Thank You

<b>Remit Payment To: Egis Insurance Advisors</b>	(321)233-9939	<b>Date</b>
P.O. Box 748555		09/15/2023
Atlanta, GA 30374-8555	sclimer@egisadvisors.com	



## PREMIUM SUMMARY

Veranda Community Development District II  
c/o Rizzetta & Company  
3434 Colwell Ave, Suite 200  
Tampa, FL 33614

**Term: October 1, 2023 to October 1, 2024**

**Quote Number: 100123355**

### PREMIUM BREAKDOWN

Property (Including Scheduled Inland Marine)	\$8,739
Crime	Not Included
Automobile Liability	Not Included
Hired Non-Owned Auto	Included
Auto Physical Damage	Not Included
General Liability	\$3,458
Public Officials and Employment Practices Liability	\$2,829
Deadly Weapon Protection Coverage	Included
<b>TOTAL PREMIUM DUE</b>	<b>\$15,026</b>

### IMPORTANT NOTE

Defense Cost - Outside of Limit, Does Not Erode the Limit for General Liability, Public Officials Liability, and Employment related Practices Liability.

Deductible does not apply to defense cost. Self-Insured Retention does apply to defense cost.

Additional Notes:

(None)

## Grau and Associates

951 W. Yamato Road, Suite 280  
Boca Raton, FL 33431-  
www.graucpa.com

Phone: 561-994-9299

Fax: 561-994-5823

*Veranda II Community Development District*  
2806 North Fifth Street, Unit 403  
St. Augustine, FL 32084

Invoice No. 24705  
Date 08/31/2023

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SERVICE	AMOUNT
Audit FYE 09/30/2022	\$ <u>1,100.00</u>
Current Amount Due	\$ <u><u>1,100.00</u></u>

RECEIVED  
08/31/2023

0 - 30	31 - 60	61 - 90	91 - 120	Over 120	Balance
1,100.00	0.00	0.00	0.00	0.00	1,100.00

Payment due upon receipt.

Impact Landscaping & Irrigation, LLC  
1562 Park Lane South  
Suite 700  
Jupiter FL 33458  
United States  
(561) 575-9501



Invoice  
#INV-60280  
8/17/2023

**Bill To**

Veranda Community Development District II  
3434 Colwell Ave. Suite 200  
Tampa FL 33614  
United States

**TOTAL**

**\$7,500.00**

PO #	Terms
Austin Burr-Brian Mendes	Due on receipt

Item	Quantity	Rate	Amount
Becker Road Phase 2 &3 - Landscape Services Oak Tree Drench (July 2023)			
Micro-nutrient drench and granular hardwood food	300	\$25.00	\$7,500.00

<b>Subtotal</b>	\$7,500.00
<b>Payments/Credits</b>	\$0.00
<b>Total</b>	\$7,500.00

**RECEIVED**  
8/17/2023

Impact Landscaping & Irrigation, LLC  
1562 Park Lane South  
Suite 700  
Jupiter FL 33458  
United States  
(561) 575-9501



Invoice  
#INV-60729  
8/31/2023

**Bill To**

Veranda Community Development District II  
3434 Colwell Ave. Suite 200  
Tampa FL 33614  
United States

**TOTAL**

**\$720.00**

**PO #**

**Terms**

Due on receipt

Item	Quantity	Rate	Amount
Becker Road August 2023 Irrigation Repairs - per attached schedule			
Spray Head 6"	14	\$12.50	\$175.00
Spray Head 12"	0	\$25.00	\$0.00
Nozzle	0	\$3.00	\$0.00
MP Rotator	19	\$10.00	\$190.00
Rotor Head	5	\$20.00	\$100.00
Decoder	0	\$175.00	\$0.00
Valve Box w/ Lid	0	\$35.00	\$0.00
Solenoid	1	\$75.00	\$75.00
Riser Pipe	0	\$10.00	\$0.00
Bubbler	18	\$10.00	\$180.00

**Subtotal** \$720.00

**Payments/Credits** \$0.00

**Total** \$720.00

**RECEIVED**  
09/05/2023

PROPERTY NAME: BECKER ROAD  
MONTH: August 2023

Address	Street	WO # / WC	6" Spray	12" Spray	Spray Nozzle	MP Rotator	Rotor	Decoder	Valve Box/ Lid	Solenoid	Riser Pipe	Bubbler
			\$12.50	\$25.00	\$3.00	\$10.00	\$20.00	\$175.00	\$35.00	\$75.00	\$10.00	\$10.00
	becker east	wc	7			9	5			1		13
	becker roundabout	wc	2			4						
	becker west	wc	5			6						5
TOTAL ITEMS			14	0	0	19	5	0	0	1	0	18
TOTAL TO BILL			\$175.00	\$0.00	\$0.00	\$190.00	\$100.00	\$0.00	\$0.00	\$75.00	\$0.00	\$180.00

[illegible][illegible]

<b>Total No Charges</b>	<b>\$0.00</b>
<b>GRAND TOTAL TO BILL:</b>	<b>\$720.00</b>

Impact Landscaping & Irrigation, LLC  
1562 Park Lane South  
Suite 700  
Jupiter FL 33458  
United States  
(561) 575-9501



Invoice  
#INV-60735  
9/5/2023

**Bill To**

Veranda Community Development District II  
3434 Colwell Ave. Suite 200  
Tampa FL 33614  
United States

**TOTAL**

**\$14,878.00**

**PO #**

**Terms**

Due on receipt

**Item**

**Quantity**

**Rate**

**Amount**

Becker Road  
September 2023 Maintenance

Becker Road Phase 2 Maintenance

1

\$6,370.00

\$6,370.00

Becker Road Phase 3 Maintenance

1

\$7,020.00

\$7,020.00

Irrigation Wet Checks

1

\$1,488.00

\$1,488.00

**Subtotal**

\$14,878.00

**Payments/Credits**

\$0.00

**Total**

\$14,878.00

**RECEIVED**



Impact Landscaping & Irrigation, LLC  
1562 Park Lane South  
Suite 700  
Jupiter FL 33458  
United States  
(561) 575-9501



Invoice  
#INV-60736  
9/5/2023

**Bill To**

Veranda Community Development District II  
3434 Colwell Ave. Suite 200  
Tampa FL 33614  
United States

**TOTAL**

**\$4,272.00**

**PO #**

**Terms**

Due on receipt

Item	Quantity	Rate	Amount
Veranda Preserve - Outside Berm, Entryway September 2023 Maintenance			
Monthly Contract Maintenance	1	\$4,272.00	\$4,272.00

<b>Subtotal</b>	\$4,272.00
<b>Payments/Credits</b>	\$0.00
<b>Total</b>	\$4,272.00

**RECEIVED**

**KUTAK ROCK LLP****TALLAHASSEE, FLORIDA**

Telephone 404-222-4600

Facsimile 404-222-4654

Federal ID 47-0597598

August 24, 2023

**Check Remit To:**

Kutak Rock LLP

PO Box 30057

Omaha, NE 68103-1157

**ACH/Wire Transfer Remit To:**

ABA #104000016

First National Bank of Omaha

Kutak Rock LLP

A/C # 24690470

Reference: Invoice No. 3267293

Client Matter No. 21123-1

Notification Email: eftgroup@kutakrock.com

Ms. Melissa Dobbins  
Veranda CDD II  
Rizzetta & Company, Inc. St. Augustine/Daytona Beach  
Unit 403  
2806 N. 5th Street  
St. Augustine, FL 32084

Invoice No. 3267293

21123-1

Re: General Counsel

## For Professional Legal Services Rendered

07/01/23	J. Johnson	0.60	237.00	Review demand letter and follow up
07/10/23	J. Johnson	0.70	276.50	Review budget notices, etc.; review draft of release document
07/10/23	K. Jusevitch	1.00	170.00	Correspond with district manager regarding budget hearing documents; prepare lien release
07/11/23	K. Jusevitch	0.40	68.00	Update assessment lien release and confer with Johnson
07/13/23	J. Johnson	0.50	197.50	Review financials; review correspondence on stormwater issues
07/27/23	J. Johnson	0.40	158.00	Confer with Greenstein regarding releases

TOTAL HOURS 3.60

TOTAL FOR SERVICES RENDERED \$1,107.00

TOTAL CURRENT AMOUNT DUE \$1,107.00**RECEIVED**  
08/24/2023

**Rizzetta & Company, Inc.**  
3434 Colwell Avenue  
Suite 200  
Tampa FL 33614

# Invoice

Date	Invoice #
9/1/2023	INV0000083178

**Bill To:**

Veranda CDD II  
3434 Colwell Avenue  
Suite 200  
Tampa FL 33614

RECEIVED  
8/31/2023

Services for the month of	Terms	Client Number
September	Upon Receipt	00199

[illegible]

**Superior Waterway Services, INC.  
6701 Garden Rd, Suite #1  
Riviera Beach FL 33404**

9/1/2023

89405

Veranda II CDD  
C/O Rizzetta & Company  
3434 Colwell Ave, Suite 200  
Tampa, FL 33614

RECEIVED  
08/28/2023

Office: (561) 844-0248 Fax: (561) 844-9629  
www.superiorwaterway.com

Thank you for your business.  
Please note that there will be an additional processing fee of 3.5% for  
all payments made using a credit card.

**Superior Waterway Services, INC.**  
**6701 Garden Rd, Suite #1**  
**Riviera Beach FL 33404**

9/1/2023

89406

Veranda II CDD  
C/O Rizzetta & Company  
3434 Colwell Ave, Suite 200  
Tampa, FL 33614

[illegible]

Thank you for your business.  
Please note that there will be an additional processing fee of 3.5% for  
all payments made using a credit card.

**Superior Waterway Services, INC.  
6701 Garden Rd, Suite #1  
Riviera Beach FL 33404**

7/1/2023

88240

Veranda II CDD  
C/O Rizzetta & Company  
3434 Colwell Ave, Suite 200  
Tampa, FL 33614

RECEIVED  
08/28/2023

Office: (561) 844-0248 Fax: (561) 844-9629  
www.superiorwaterway.com

Thank you for your business.  
Please note that there will be an additional processing fee of 3.5% for  
all payments made using a credit card.

# VERANDA COMMUNITY DEVELOPMENT DISTRICT II

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District Office · St. Augustine, Florida · (904) 436-6270  
Mailing Address – 3434 Colwell Avenue, Suite 200, Tampa, Florida 33614  
[www.verandacdd2.org](http://www.verandacdd2.org)

## Check Request

**Amount:** \$14,769.93

**Date:** 08/10/2023

**Payable:** Veranda St. Lucie Holdings, LLC  
7807 Baymeadows Road East, Suite 205  
Jacksonville, FL 32256

**Reason:** Overpayment on Off-Roll

**Special Instructions:** Please code to 201-20705

**Approved By:** \_\_\_\_\_  
Brian Mendes, District Manager

# VERANDA COMMUNITY DEVELOPMENT DISTRICT II

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District Office · St. Augustine, Florida · (904) 436-6270  
Mailing Address – 3434 Colwell Avenue, Suite 200, Tampa, Florida 33614  
[www.verandacdd2.org](http://www.verandacdd2.org)

## Check Request

**Amount:** \$2,072.28

**Date:** 08/10/2023

**Payable:** Veranda St. Lucie Holdings, LLC  
7807 Baymeadows Road East, Suite 205  
Jacksonville, FL 32256

**Reason:** Overpayment on Off-Roll

**Special Instructions:** Please code to 001-20705

**Approved By:** \_\_\_\_\_  
Brian Mendes, District Manager



# VERANDA COMMUNITY DEVELOPMENT DISTRICT II

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District Office · St. Augustine, FL 32084

MAILING ADDRESS · 3434 COLWELL AVENUE, SUITE 200 · TAMPA, FLORIDA 33614

WWW.VERANDACDD2.ORG

## **Operation and Maintenance Expenditures October 2023 For Board Approval**

Attached please find the check register listing the Operation and Maintenance expenditures paid from October 1, 2023 through October 31, 2023. This does not include expenditures previously approved by the Board.

The total items being presented: **\$78,178.05**

Approval of Expenditures:

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\_\_\_\_\_ Chairperson

\_\_\_\_\_ Vice Chairperson

\_\_\_\_\_ Assistant Secretary

## Veranda Community Development District II

Paid Operation & Maintenance Expenditures

October 1, 2023 Through October 31, 2023

<u>Vendor Name</u>	<u>Check Number</u>	<u>Invoice Number</u>	<u>Invoice Description</u>	<u>Invoice Amount</u>
Bo Jahna	100124	BJ-101023	Board of Supervisors Meeting 10/10/23	\$ 200.00
Grau & Associates, P.A.	100125	101023-199	Audit FYE 09/30/22 Confirmation	\$ 70.00
Impact Landscaping & Irrigation, LLC	100121	INV-61336	Irrigation Repairs 09/23	\$ 820.00
Impact Landscaping & Irrigation, LLC	100126	INV-59918	Landscape Maintenance 08/23	\$ 14,878.00
Impact Landscaping & Irrigation, LLC	100126	INV-61436	Landscape Maintenance 10/23	\$ 14,878.00
Impact Landscaping & Irrigation, LLC	100126	INV-61437	Landscape Maintenance 10/23	\$ 4,272.00
Innersync Studio, Ltd	100122	21714	Website & Compliance Services 10/23	\$ 384.38
Kutak Rock, LLP	100123	3282158	Legal Services 08/23	\$ 1,863.00
MJC Land Development, LLC	100127	5399	Pump Down Multiple Lakes 10/23	\$ 30,744.68
Rizzetta & Company, Inc.	100119	INV0000084111	District Management Fees 10/23	\$ 4,298.99
Rizzetta & Company, Inc.	100120	INV0000084015	Assessment Roll Annual 23/24	\$ 5,569.00
Robert Nelson	100128	RN-101023	Board of Supervisors Meeting 10/10/23	<u>\$ 200.00</u>
<b>Report Total</b>				<b><u>\$ 78,178.05</u></b>

**Veranda CDD II**Meeting Date: October 10, 2023**SUPERVISOR PAY REQUEST**

<u>Name of Board Supervisor</u>	<u>Check if paid</u>
Grady Miars	<input checked="" type="checkbox"/>
Austin Burr (*)	<input checked="" type="checkbox"/>
Bo Jahna	<input checked="" type="checkbox"/>
Robert Nelson	<input checked="" type="checkbox"/>
Chris Frederick	<input type="checkbox"/>

(\*) Does not get paid

NOTE: Supervisors are only paid if checked.

**RECEIVED**  
10/11/2023**EXTENDED MEETING TIMECARD**

Meeting Start Time:	11am
Meeting End Time:	11:30am
Total Meeting Time:	

Time Over _____ (?) Hours:	
----------------------------	--

Total at \$ _____ per Hour:	
-----------------------------	--

**ADDITIONAL OR CONTINUED MEETING TIMECARD**

Meeting Date:	
Additional or Continued Meeting?	
Total Meeting Time:	
Total at \$175 per Hour:	\$0.00

Business Mileage Round Trip	
IRS Rate per Mile	\$0.625
Mileage to Charge	\$0.00

DM Signature: \_\_\_\_\_



## Grau and Associates

951 W. Yamato Road, Suite 280  
Boca Raton, FL 33431-  
www.graucpa.com

**Phone: 561-994-9299**

**Fax: 561-994-5823**

*Rizzetta & Company*  
12750 Citrus Park Lane, Suite 115  
Tampa FL 33625

*Date*            10/10/2023

---

SERVICE	AMOUNT
Audits FYE 09/30/2022 - confirmation.com.	\$ <u>2,520.00</u>
See cost break-out per District on page 2.	
Current Amount Due	\$ <u>2,520.00</u>

Client Name	Date	Amount	Bond Series
Bahia Lakes CDD	02/14/2023	35.00	2016
Bridgewater CDD	01/31/2023	70.00	2015A-1, 2015A-2
Connerton West CDD	02/16/2023	140.00	2006, 2015, 2018 A, 2018-1
Copperspring CDD	02/13/2023	35.00	2019
Country Walk CDD	02/16/2023	105.00	2015A-1, 2015A-2
Cross Creek North CDD	02/14/2023	35.00	2018
Eagle Pointe CDD	02/16/2023	35.00	2020
Entrada CDD CDD	02/13/2023	35.00	2021
Glen St. Johns CDD	01/31/2023	35.00	2016
Grand Hampton CDD	02/16/2023	140.00	2014, 2016
Harbourage at Braden River CDD	02/14/2023	35.00	2014
Highland Meadows CDD	02/14/2023	35.00	2006A
K-Bar Ranch CDD	02/17/2023	140.00	2016, 2011, 2014(Parcel O-1), 2014 (Parcel Q)
K-Bar Ranch CDD II	02/13/2023	140.00	2021, 2017, 2017 A2, 2017 A3
Lakeside CDD	02/16/2023	140.00	2015, 2018
LTC Ranch West Residential CDD	02/14/2023	70.00	2021 A, 2021B
Meadow Point III CDD	02/14/2023	140.00	2007, 2013, 2015, 2021
Meadow Pointe IV CDD	02/28/2023	280.00	2004, 2005, 2007, 2012, 2014, 2015, 2022 A-1, 2022 A-2
Mitchell Ranch CDD	02/13/2023	35.00	2019
Palma Sola Trace CDD	02/14/2023	35.00	2013
Paseo CDD	02/16/2023	35.00	2018
Portico CDD	02/13/2023	70.00	2020-1, 2020-2
Seven Oaks CDD	02/16/2023	175.00	2016 A, 2016 B, 2016 A-1, 2016 B1 &2, 2021
Somerset CDD	02/14/2023	35.00	2004
Summit View CDD	02/16/2023	70.00	2021 A, 2021B
Tara CDD 1	02/14/2023	140.00	2012 A-1, 2012 A-2
The Groves CDD	02/13/2023	35.00	2007
Two Creeks CDD	02/16/2023	70.00	2016 A-1, 2016 A-2
Veranda II CDD	02/14/2023	70.00	2021 AA4, 2021 AA5
Wesbridge CDD	02/13/2023	35.00	2019
World Commerce CDD	02/23/2023	70.00	2004, 2007
<b>Total</b>		<b><u>\$ 2,520.00</u></b>	

Impact Landscaping & Irrigation, LLC  
1562 Park Lane South  
Suite 700  
Jupiter FL 33458  
United States  
(561) 575-9501



Invoice  
#INV-61336  
9/30/2023

**Bill To**

Veranda Community Development District II  
3434 Colwell Ave. Suite 200  
Tampa FL 33614  
United States

**TOTAL**

**\$820.00**

**PO #**

**Terms**

Due on receipt

Item	Quantity	Rate	Amount
Becker Road Sept. 2023 Irrigation Repairs - per attached schedule			
Spray Head 6"	12	\$12.50	\$150.00
Spray Head 12"	0	\$25.00	\$0.00
Nozzle	0	\$3.00	\$0.00
MP Rotator	12	\$10.00	\$120.00
Rotor Head	0	\$20.00	\$0.00
Decoder	0	\$175.00	\$0.00
Valve Box w/ Lid	1	\$35.00	\$35.00
Solenoid	1	\$75.00	\$75.00
Riser Pipe	0	\$10.00	\$0.00
Bubbler	24	\$10.00	\$240.00
Miscellaneous Repairs			
Irrigation Repairs - Zone 8 Center Island	1	\$200.00	\$200.00

**Subtotal**

\$820.00

**Payments/Credits**

\$0.00

**Total**

\$820.00

**RECEIVED**  
10/03/2023

If a billing statement balance is not paid in full when due, interest will be charged on any unpaid balance that remains past due beginning on the first day it is past due and continuing until paid at the rate of 18% per annum (or the maximum lawful rate if less.) Should Impact Landscaping and Irrigation, LLC employ an attorney to enforce any of the provisions hereof, to protect its interest in any matter arising under this contract, to collect damages for the breach of this contract, the customer(s) jointly and severally agree to pay Impact Landscaping and Irrigation, LLC all reasonable costs, charges, expenses and attorney's fees expended or incurred therein

# IMPACT IRRIGATION MONTHLY MAINTENANCE WET CHECK & REPAIR LOG

PROPERTY NAME: BECKER ROAD  
 MONTH: September 2023

## COMMON AREA

Address	Street	WO # / WC	6" Spray	12" Spray	Spray Nozzle	MP Rotator	Rotor	Decoder	Valve Box/ Lid	Solenoid	Riser Pipe	Bubbler
			\$12.50	\$25.00	\$3.00	\$10.00	\$20.00	\$175.00	\$35.00	\$75.00	\$10.00	\$10.00
COMMON AR	Center island	wc	4									10
COMMON AR	South treelawn	wc	5			5						8
COMMON AR	North treelawn	wc	3			7			1	1		6
TOTAL ITEMS			12	0	0	12	0	0	1	1	0	24
TOTAL TO BILL			\$150.00	\$0.00	\$0.00	\$120.00	\$0.00	\$0.00	\$35.00	\$75.00	\$0.00	\$240.00

## NO CHARGE ITEMS

Address	Street	WO # / WC	6" Spray	12" Spray	Spray Nozzle	MP Rotator	Rotor	Decoder	Valve Box/ Lid	Solenoid	Riser Pipe	Bubbler
			\$12.50	\$25.00	\$3.00	\$10.00	\$20.00	\$175.00	\$35.00	\$75.00	\$10.00	\$10.00
TOTAL ITEMS			0	0	0	0	0	0	0	0	0	0
TOTAL DEDUCTION			\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

## MISCELLANEOUS REPAIRS

Address	Street	Man Hours @	Pipe Size	Coupling	Elbow	Tee	Slip Fix	Valve	Feet of Pipe	Misc. Fitting/ Notes	TOTAL TO BILL
		\$50.00									
zone 8	Center island	1						2"		faulty valve	\$ 200.00

Total No Charges \$0.00  
**GRAND TOTAL TO BILL: \$820.00**

Impact Landscaping & Irrigation, LLC  
1562 Park Lane South  
Suite 700  
Jupiter FL 33458  
United States  
(561) 575-9501



Invoice  
#INV-59918  
8/2/2023

**Bill To**

Veranda Community Development District II  
3434 Colwell Ave. Suite 200  
Tampa FL 33614  
United States

**TOTAL**

**\$14,878.00**

**PO #**

**Terms**

Due on receipt

Item	Quantity	Rate	Amount
Becker Road August 2023 Maintenance			
Becker Road Phase 2 Maintenance	1	\$6,370.00	\$6,370.00
Becker Road Phase 3 Maintenance	1	\$7,020.00	\$7,020.00
Irrigation Wet Checks	1	\$1,488.00	\$1,488.00

**Subtotal** \$14,878.00

**Payments/Credits** \$0.00

**Total** \$14,878.00

**RECEIVED**  
08/02/2023



Impact Landscaping & Irrigation, LLC  
1562 Park Lane South  
Suite 700  
Jupiter FL 33458  
United States  
(561) 575-9501



Invoice  
#INV-61436  
10/6/2023

**Bill To**

Veranda Community Development District II  
3434 Colwell Ave. Suite 200  
Tampa FL 33614  
United States

**TOTAL**

**\$14,878.00**

**PO #**

**Terms**

Due on receipt

Item	Quantity	Rate	Amount
Becker Road October 2023 Maintenance			
Becker Road Phase 2 Maintenance	1	\$6,370.00	\$6,370.00
Becker Road Phase 3 Maintenance	1	\$7,020.00	\$7,020.00
Irrigation Wet Checks	1	\$1,488.00	\$1,488.00

**Subtotal** \$14,878.00

**Payments/Credits** \$0.00

**Total** \$14,878.00

**RECEIVED**  
10/06/2023

Impact Landscaping & Irrigation, LLC  
1562 Park Lane South  
Suite 700  
Jupiter FL 33458  
United States  
(561) 575-9501



Invoice  
#INV-61437  
10/6/2023

**Bill To**

Veranda Community Development District II  
3434 Colwell Ave. Suite 200  
Tampa FL 33614  
United States

**TOTAL**

**\$4,272.00**

**PO #**

**Terms**

Due on receipt

**Item**

**Quantity**

**Rate**

**Amount**

Veranda Preserve - Outside Berm, Entryway  
October 2023 Maintenance

Monthly Contract Maintenance

1

\$4,272.00

\$4,272.00

**Subtotal**

\$4,272.00

**Payments/Credits**

\$0.00

**Total**

\$4,272.00

**RECEIVED**  
10/06/2023

# INVOICE

**BILL TO**

Veranda II CDD  
3434 Colwell Avenue  
Suite 200  
Tampa, FL 33614

**INVOICE #** 21714**DATE** 10/01/2023**DUE DATE** 10/16/2023**TERMS** Net 15

---

DESCRIPTION	AMOUNT
CDD Website Services - Hosting, support and training	150.00
CDD Ongoing PDF Accessibility Compliance Service	234.38
<hr/>	
Quarterly service	BALANCE DUE
	<b>\$384.38</b>

**RECEIVED**  
10/02/2023

**KUTAK ROCK LLP****TALLAHASSEE, FLORIDA**

Telephone 404-222-4600

Facsimile 404-222-4654

Federal ID 47-0597598

September 26, 2023

**Check Remit To:**

Kutak Rock LLP

PO Box 30057

Omaha, NE 68103-1157

**ACH/Wire Transfer Remit To:**

ABA #104000016

First National Bank of Omaha

Kutak Rock LLP

A/C # 24690470

Reference: Invoice No. 3282158

Client Matter No. 21123-1

Notification Email: eftgroup@kutakrock.com

Ms. Melissa Dobbins  
Veranda CDD II  
Rizzetta & Company, Inc. St. Augustine/Daytona Beach  
Unit 403  
2806 N. 5th Street  
St. Augustine, FL 32084

Invoice No. 3282158  
21123-1

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Re: General Counsel

**For Professional Legal Services Rendered**

08/10/23	K. Jusevitch	0.40	68.00	Prepare budget hearing documents, confer with Johnson and correspond with district manager
08/14/23	J. Johnson	0.30	118.50	Review financial statements
08/14/23	K. Jusevitch	0.30	51.00	Update assessment resolution; confer with Johnson and correspond with district manager
08/22/23	J. Johnson	1.40	553.00	Prepare for and attend CDD meeting via phone; post meeting wrap up
08/23/23	J. Johnson	0.30	118.50	Confer with Aurelius regarding CDD
08/25/23	J. Johnson	1.00	395.00	Prepare for and attend finance team call; post meeting wrap up
08/25/23	K. Jusevitch	0.20	34.00	Correspond with district manager regarding lien release
08/28/23	J. Johnson	0.60	237.00	Confer with Kessler regarding bonds
08/28/23	K. Jusevitch	0.30	51.00	Confer with Johnson regarding construction contracts
08/29/23	J. Johnson	0.60	237.00	Follow up with FMS on bond schedule, etc.

**KUTAK ROCK LLP**

Veranda CDD II

September 26, 2023

Client Matter No. 21123-1

Invoice No. 3282158

Page 2

TOTAL HOURS 5.40

TOTAL FOR SERVICES RENDERED \$1,863.00

TOTAL CURRENT AMOUNT DUE \$1,863.00

**RECEIVED**  
09/26/2023



1128 Royal Palm Beach Blvd #340  
Royal Palm Beach, FL 33411  
Office: 561-688-5004  
Fax: (561) 688-6403




## Invoice

**RECEIVED**  
10/12/2023

Date	Invoice #
10/10/2023	5399

Bill To
Veranda CDD II 7807 Baymeadows Rd E Suite 205 Jacksonville, FL 32256

P.O. No.	Project
	Veranda Preserve East/Mosaic

Description	Qty	Unit	Unit Price	Total
Pump down multiple lakes at Veranda Preserve East and Mosaic	1	MO	20,117.00	20,117.00
Front end loader	1	LS	3,500.00	3,500.00
Furnish & install orange fence	1,376	lf	5.18	7,127.68
				

Thank you for your business.

**Total:** \$30,744.68

**Payments/Credits** \$0.00

**Balance Due** \$30,744.68

**Rizzetta & Company, Inc.**  
3434 Colwell Avenue  
Suite 200  
Tampa FL 33614

## Invoice

Date	Invoice #
10/1/2023	INV0000084111

**Bill To:**

Veranda CDD II  
3434 Colwell Avenue  
Suite 200  
Tampa FL 33614

**RECEIVED**  
9/21/2023

Services for the month of	Terms	Client Number
October	Upon Receipt	00199

Description	Qty	Rate	Amount
Accounting Services	1.00	\$1,670.75	\$1,670.75
Administrative Services	1.00	\$397.83	\$397.83
Financial & Revenue Collections	1.00	\$353.58	\$353.58
Management Services	1.00	\$1,776.83	\$1,776.83
Website Compliance & Management	1.00	\$100.00	\$100.00
Subtotal			\$4,298.99
Total			\$4,298.99

**Rizzetta & Company, Inc.**  
3434 Colwell Avenue  
Suite 200  
Tampa FL 33614

# Invoice

Date	Invoice #
10/1/2023	INV0000084015

**Bill To:**

Veranda CDD II  
3434 Colwell Avenue  
Suite 200  
Tampa FL 33614

RECEIVED  
9/22/2023

Services for the month of	Terms	Client Number
October	Upon Receipt	00199

[illegible]



## **Tab 3**

## **RESOLUTION 2024-02**

**A RESOLUTION OF VERANDA COMMUNITY DEVELOPMENT DISTRICT II SUPPLEMENTING ITS RESOLUTION 2017-02 BY AUTHORIZING THE ISSUANCE OF ITS VERANDA COMMUNITY DEVELOPMENT DISTRICT II SPECIAL ASSESSMENT REVENUE AND REFUNDING BONDS, SERIES 2023 (ASSESSMENT AREA FIVE – PHASE 2 – VERANDA ESTATES PROJECT) AND SPECIAL ASSESSMENT REVENUE AND REFUNDING BONDS, SERIES 2023 (ASSESSMENT AREA THREE – VERANDA PRESERVE EAST PROJECT) IN AN AGGREGATE PRINCIPAL AMOUNT NOT EXCEEDING \$22,000,000 FOR THE PURPOSE OF ACQUIRING AND CONSTRUCTING ASSESSABLE IMPROVEMENTS AND REFUNDING A PORTION OF THE OUTSTANDING VERANDA COMMUNITY DEVELOPMENT DISTRICT II SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2018 (ASSESSMENT AREAS THREE, FOUR AND FIVE); DELEGATING TO THE CHAIRMAN OR VICE CHAIRMAN OF THE BOARD OF SUPERVISORS OF THE DISTRICT, SUBJECT TO COMPLIANCE WITH THE APPLICABLE PROVISIONS HEREOF, THE AUTHORITY TO AWARD THE SALE OF SUCH BONDS TO FMSBONDS, INC. BY EXECUTING AND DELIVERING TO SUCH UNDERWRITER A BOND PURCHASE CONTRACT AND APPROVING THE FORM THEREOF; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION OF A SIXTH SUPPLEMENTAL TRUST INDENTURE AND A SEVENTH SUPPLEMENTAL TRUST INDENTURE; APPROVING U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION AS THE TRUSTEE, BOND REGISTRAR AND PAYING AGENT FOR SUCH BONDS; MAKING CERTAIN FINDINGS; APPROVING THE FORM OF SUCH BONDS; APPROVING THE FORM OF THE PRELIMINARY LIMITED OFFERING MEMORANDUM AND AUTHORIZING THE USE BY THE UNDERWRITER OF THE PRELIMINARY LIMITED OFFERING MEMORANDUM AND THE LIMITED OFFERING MEMORANDUM AND THE EXECUTION OF THE LIMITED OFFERING MEMORANDUM; APPROVING THE FORM OF THE CONTINUING DISCLOSURE AGREEMENT; AUTHORIZING CERTAIN OFFICIALS OF THE DISTRICT AND OTHERS TO TAKE ALL ACTIONS REQUIRED IN CONNECTION WITH THE ISSUANCE, SALE AND DELIVERY OF SAID BONDS; PROVIDING CERTAIN OTHER DETAILS WITH RESPECT TO SAID BONDS; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS,** Veranda Community Development District II (the “District”) is authorized by Florida Statutes, Chapter 190 (the “Act”) to issue its bonds for the purpose of acquiring and constructing assessable improvements all as provided in the Act; and

**WHEREAS,** the District is authorized by the Act to make payments of principal, interest, and premium, if any, with respect to its bonds by levying and collecting special assessments on

property located within the District and specially benefited by the assessable improvements to be financed with certain proceeds of its bonds; and

**WHEREAS**, the District pursuant to its Resolution 20187-32, adopted by the Governing Body of the District on July 17, 2018 (the “Bond Resolution”), authorized the issuance of its not exceeding \$75,000,000 principal amount of its special assessment revenue bonds (the “Bonds”) in separate series for the purposes set forth in said Bond Resolution and approved the form of the Master Indenture (hereinafter defined) in substantially the form attached to the Bond Resolution; and

**WHEREAS**, pursuant to the Original Resolution as supplemented by Resolution 2019-02 adopted by the Board of the Issuer on October 23, 2018 (the “2018 Authorizing Resolution”) and the Master Indenture, dated December 1, 2018 (the “Master Indenture”) between the Issuer and U.S. Bank Trust Company, N.A. (the “Trustee”) as supplemented by a First Supplemental Trust Indenture dated December 1, 2018, the Issuer previously issued its \$7,405,000 Veranda Community Development District II (St. Lucie County, Florida) Special Assessment Revenue Bonds, Series 2018A (Assessment Area One - Gardens East Project) (the “Assessment Area One Bonds”), as a Series of Bonds under the Master Indenture; and

**WHEREAS**, pursuant to the 2018 Authorizing Resolution and the Master Indenture, as supplemented by a Second Supplemental Trust Indenture dated December 1, 2018, the Issuer previously issued its \$7,045,000 Veranda Community Development District II (St. Lucie County, Florida) Special Assessment Revenue Bonds, Series 2018A (Assessment Area Two - Preserve West Project) (the “Assessment Area Two Bonds”), as a Series of Bonds under the Master Indenture; and

**WHEREAS**, pursuant to the 2018 Authorizing Resolution and the Master Indenture, as supplemented by a Third Supplemental Trust Indenture dated December 1, 2018 (the “Third Supplemental Indenture”), the Issuer previously issued its \$6,910,000 initial principal amount of Veranda Community Development District II (St. Lucie County, Florida) Special Assessment Revenue Bonds, Series 2018B (Assessment Areas Three, Four and Five) (the “Series 2018B Bonds”) as a Series of Bonds under the Master Indenture; and

**WHEREAS**, pursuant to the Original Resolution as supplemented by Resolution 2021-04 adopted by the Board of the Issuer on February 19, 2021 (the “2021 Authorizing Resolution”) and the Master Indenture as supplemented by a Fourth Supplemental Trust Indenture dated March 1, 2021 the Issuer previously issued its \$8,090,000 Veranda Community Development District II (St. Lucie County, Florida) Special Assessment Revenue Bonds, Series 2021 (Assessment Area Four – Veranda Oaks Project) (the “2021 Assessment Area Four Bonds”), as a Series of Bonds under the Master Indenture; and

**WHEREAS**, pursuant to the Original Resolution as supplemented by the 2021 Authorizing Resolution and the Master Indenture as supplemented by a Fifth Supplemental Trust Indenture dated March 1, 2021, the Issuer previously issued its \$5,000,000 Veranda Community Development District II (St. Lucie County, Florida) Special Assessment Revenue Bonds, Series 2021 (Assessment Area Five – Phase 1 - Veranda Estates Project) (the “2021 Assessment Area Five Bonds”), as a Series of Bonds under the Master Indenture; and

**WHEREAS**, the District now desires to supplement the Bond Resolution, to authorize the issuance of and award the sale of its Special Assessment Revenue and Refunding Bonds, Series 2023 (Assessment Area Three - Veranda Preserve East Project) (the "Assessment Area Three Bonds") and Special Assessment Revenue and Refunding Bonds, Series 2023 (Assessment Area Five – Phase 2 - Veranda Estates Project) (the "Assessment Area Five Bonds," and collectively with the Assessment Area Three Bonds, the "Series 2023 Bonds") in an aggregate principal amount not exceeding \$22,000,000, to approve the Supplemental Indentures (hereinafter defined) and to provide for various other matters relating to the issuance of the Series 2023 Bonds; and

**WHEREAS**, the Board of Supervisors of the District (the "Board") has received from FMSbonds, Inc. (the "Underwriter") a proposal in the form of a Bond Purchase Contract (the "Contract") for the purchase of the Series 2023 Bonds and the Board has determined that acceptance of such proposal and the sale of the Series 2023 Bonds to the Underwriter is in the best interest of the District for the reasons hereafter indicated;

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF VERANDA COMMUNITY DEVELOPMENT DISTRICT II**, as follows:

**SECTION 1. Definitions.** All words and phrases used herein in capitalized form, unless otherwise defined herein, shall have the meaning ascribed to them in the Indenture (hereinafter defined).

**SECTION 2. Authorization.** There is hereby authorized to be issued the Series 2023 Bonds in an aggregate principal amount not exceeding \$22,000,000. The Assessment Area Three Bonds shall be issued under and secured by the Master Indenture as supplemented by the Sixth Supplemental Trust Indenture (the "Sixth Supplemental Indenture"). The Assessment Area Five Bonds shall be issued under and secured by the Master Indenture as supplemented by the Seventh Supplemental Trust Indenture (the "Seventh Supplemental Indenture," and collectively with the Sixth Supplemental Indenture, the "Supplemental Indentures"), each by and between the District and U.S. Bank Trust Company, National Association, as trustee (the "Trustee") (the Master Indenture and the Supplemental Indentures are referred to collectively as the "Indenture"). The proceeds of the Series 2023 Bonds shall be used for the purposes set forth in the applicable Supplemental Indenture and the Limited Offering Memorandum (hereinafter defined).

**SECTION 3. Approval of Supplemental Indentures.** The Supplemental Indentures are hereby approved in substantially the forms set forth as part of **Exhibit A** hereto and the Chairman or the Vice Chairman of the Board are hereby authorized and directed to execute and deliver such Supplemental Indentures on behalf of and in the name of the District and the Secretary or any Assistant Secretary of the Board is hereby authorized to attest such execution, with such additions and deletions therein as may be made and approved by the Chairman or the Vice Chairman executing the same, such execution to be conclusive evidence of such approval. The Trustee is hereby approved to serve as Trustee, Bond Registrar and Paying Agent under such Supplemental Indentures.

**SECTION 4. Negotiated Sale.** The Board hereby determines that a negotiated sale of the Series 2023 Bonds to the Underwriter is in the best interest of the District because of prevailing market conditions, because delays caused by soliciting competitive bids could adversely affect the District's ability to issue and deliver the Series 2023 Bonds at presently favorable interest rates, and because the nature of the security for the Series 2023 Bonds and the sources of payment of debt service on the Series 2023 Bonds require the participation of an underwriter in structuring the bond issue.

**SECTION 5. Contract Approved.** The Board hereby approves the Contract submitted by the Underwriter in substantially the form attached as **Exhibit B** hereto. The Chairman or Vice Chairman of the Board is hereby authorized to execute the Contract and to deliver the Contract to the Underwriter with such changes, amendments, modifications, omissions and additions as may be approved by the executing Chairman or Vice Chairman; provided that (i) the principal amount of the Series 2023 Bonds shall not exceed \$22,000,000; (ii) the interest rate on the Series 2023 Bonds will not exceed the maximum rate permitted by applicable law; (iii) the Underwriter's discount shall not exceed two percent (2.0%) of the principal amount of the Series 2023 Bonds; (iv) if the Series 2020 Bonds are subject to optional redemption, which determination will be made on or before the sale date of the Series 2023 Bonds, the first optional call date and the redemption price shall be determined by the Chairman or Vice Chairman on or before the Bond Purchase Contract is executed; and (v) the final maturity of the Series 2023 Bonds shall be no later than the maximum term permitted by law.

**SECTION 6. Preliminary Limited Offering Memorandum and Limited Offering Memorandum.** The District hereby approves the Preliminary Limited Offering Memorandum in substantially the form attached hereto as **Exhibit C** (the "Preliminary Limited Offering Memorandum") and authorizes its distribution and use by the Underwriter in connection with the offering for the sale of the Series 2023 Bonds. If between the date hereof and the mailing of the Preliminary Limited Offering Memorandum it is necessary to make insertions, modifications and changes to the Preliminary Limited Offering Memorandum, the Chairman or Vice Chairman is hereby authorized to approve such insertions, changes and modifications, and, the Chairman or Vice Chairman is hereby authorized to deem the Preliminary Limited Offering Memorandum "final" within the meaning of Rule 15c2-12 of the Securities and Exchange Commission (the "Rule") under the Securities Exchange Act of 1934, in the form as mailed and in furtherance thereof to execute a certificate evidencing same. The preparation of a final Limited Offering Memorandum is hereby approved and the Chairman or Vice Chairman is hereby authorized to execute such final Limited Offering Memorandum to be dated the date of the award of the Series 2023 Bonds and, upon such award, to deliver the same to the Underwriter for use by it in connection with the sale and distribution of the Series 2023 Bonds. The Limited Offering Memorandum shall be substantially in the form of the final Preliminary Limited Offering Memorandum, with such changes as shall be approved by the Chairman or Vice Chairman as necessary to conform to the details of the Series 2023 Bonds and such other insertions, modifications and changes as may be approved by the Chairman or Vice Chairman. The execution and delivery of the Limited Offering Memorandum by the Chairman shall constitute evidence of the approval thereof. The District hereby authorizes the use of the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum and the information contained therein in connection with the offering and sale of the Series 2023 Bonds.



**SECTION 7. Form of Series 2023 Bonds.** The Assessment Area Three Bonds shall be in substantially the form as set forth in the exhibit to the Sixth Supplemental Indenture and the Assessment Area Five Bonds shall be in substantially the form as set forth in the exhibit to the Seventh Supplemental Indenture, with such additions, deletions and other changes thereto as the officials of the Board executing the Series 2023 Bonds shall approve, such approval to be conclusively evidenced by the execution of the Series 2023 Bonds (by manual or facsimile signature) by such officials. The Board hereby authorizes and approves the use of a facsimile of the District seal on the Series 2023 Bonds.

**SECTION 8. Continuing Disclosure Agreement.** The Continuing Disclosure Agreement (the "Disclosure Document") relating to the Series 2023 Bonds in substantially the form attached hereto as **Exhibit D** is hereby approved. Government Management Services, LLC, is hereby approved as the Dissemination Agent under the Disclosure Document. The Chairman or Vice Chairman and the Secretary or any Assistant Secretary are hereby authorized to execute on behalf of the District the Disclosure Document in substantially the form attached hereto, with such additions, deletions, and other changes as may be necessitated by applicable law, this Resolution and the Contract as such officers may approve (such approval to be conclusively evidenced by their execution of the Disclosure Document).

**SECTION 9. Application of 2023 Bond Proceeds.** Proceeds of the Series 2023 Bonds, shall be applied as provided in the applicable Supplemental Indenture.

**SECTION 10. Open Meetings.** It is hereby found and determined that all official acts of this Board concerning and relating to the issuance, sale, and delivery of the Series 2023 Bonds, including but not limited to adoption of this Resolution, were taken in open meetings of the members of the Board and all deliberations of the members of the Board that resulted in such official acts were in meetings open to the public, in compliance with all legal requirements including, but not limited to, the requirement of Florida Statutes, Section 286.011.

**SECTION 11. Other Actions.** The Chairman, the Vice Chairman, the Secretary, any Assistant Secretary and the District Manager of the District, and any authorized designee thereof (collectively, the "District Officers"), Akerman LLP, as Bond Counsel, Kutak Rock LLP, the District's Counsel, and any other consultant or experts retained by the District, are hereby authorized and directed to take all actions necessary or desirable in connection with the issuance and delivery of the Series 2023 Bonds and the consummation of all transactions in connection therewith. The District Officers are hereby authorized and directed to execute all necessary or desirable certificates, documents, papers, and agreements necessary to the undertaking and fulfillment of all transactions referred to in or contemplated by the Indenture, the Preliminary Limited Offering Memorandum, the Limited Offering Memorandum, this Resolution, the Disclosure Document and the Contract.

**SECTION 12. Approval of Ancillary Documents.** The Completion Agreement, True-Up Agreement, Acquisition Agreement and Collateral Assignment are each hereby approved in substantially the form set forth in **Exhibits E through H** hereto and the Chairman or the Vice Chairman of the Board is hereby authorized and directed to execute and deliver such documents on behalf of and in the name of the District and the Secretary or any Assistant Secretary of the Board is hereby authorized to attest such execution, with such additions and deletions therein as

may be made and approved by the Chairman or the Vice Chairman executing the same, such execution to be conclusive evidence of such approval.

**SECTION 13. Other Agreements.** The District hereby authorizes and approves the execution and delivery by the District Officers of such completion agreements, acquisition agreements, assessment true-up agreements, collateral assignments of contract rights and other agreements and instruments, between the District and the owners of lands within the District as shall be necessary or desirable in connection with the issuance and delivery of the Series 2023 Bonds and the consummation of all transactions in connection therewith. Such agreements shall be in substantially the form presented to this meeting or on file with the Secretary, or subsequently prepared and approved by District Counsel, with such changes therein as shall be approved by the District Officers executing or accepting delivery of the same, with such execution or acceptance to constitute conclusive evidence of such officer's approval and the District's approval of any changes therein.

**SECTION 14. Approval of Prior Actions.** All actions taken to date by the members of the Board and the officers, agents, and employees of the District in furtherance of the issuance of the Series 2023 Bonds are hereby approved, confirmed and ratified.


**SECTION 15. Inconsistent Resolutions and Motions.** All prior resolutions of the Board inconsistent with the provisions of this Resolution are hereby modified, supplemented and amended to conform with the provisions herein contained and, except as so modified, supplemented and amended hereby, shall remain in full force and effect.

**SECTION 16. Severability.** If any section, paragraph, clause or provision of this Resolution shall be held to be invalid or ineffective for any reason, the remainder of this Resolution shall continue in full force and effect, it being expressly hereby found and declared that the remainder of this Resolution would have been adopted despite the invalidity or ineffectiveness of such section, paragraph, clause or provision.

**SECTION 17. Effective Date.** This Resolution shall become effective immediately upon its adoption.

ADOPTED this 10<sup>th</sup> day of October, 2023.

**VERANDA COMMUNITY  
DEVELOPMENT DISTRICT II**

By:   
Veranda Chairman

[SEAL]  
Attest:

By:   
Secretary

Exhibits

A-Supplemental Indentures

B-Bond Purchase Contract

C-Preliminary Limited Offering Memorandum

D-Disclosure Document

E-Completion Agreement

F-True-Up Agreement

G-Acquisition Agreement

H-Collateral Assignment



# **Exhibit A**

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**SIXTH SUPPLEMENTAL TRUST INDENTURE**

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**BETWEEN**

**VERANDA COMMUNITY DEVELOPMENT DISTRICT II**

**AND**

**U.S. BANK TRUST COMPANY, N.A.  
AS TRUSTEE**

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**Dated as of November 1, 2023**

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**Authorizing and Securing**

**VERANDA COMMUNITY DEVELOPMENT DISTRICT II  
(St. Lucie County, Florida)**

**\$ \_\_\_\_\_  
SPECIAL ASSESSMENT REVENUE AND REFUNDING BONDS  
SERIES 2023 (ASSESSMENT AREA THREE – VERANDA PRESERVE EAST  
PROJECT)**

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THIS SIXTH SUPPLEMENTAL TRUST INDENTURE (the "Sixth Supplemental Indenture"), dated as of November 1, 2023, between VERANDA COMMUNITY DEVELOPMENT DISTRICT II (the "Issuer"), a local unit of special-purpose government organized and existing under the laws of the State of Florida, and U.S. BANK TRUST COMPANY, N.A., a national banking association duly organized and existing under the laws of the United States of America (said banking association and any bank or trust company becoming successor trustee under this Sixth Supplemental Indenture being hereinafter referred to as the "Trustee");

W I T N E S S E T H:

WHEREAS, the Issuer is a local unit of special-purpose government duly organized and existing under the provisions of the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the "Act"), by Ordinance 2018-30 enacted by the City of Port St. Lucie County, Florida which became effective on July 9, 2018, for the purpose, among other things, of financing and managing the acquisition and construction, maintenance, and operation of public infrastructure within and without the boundaries of the premises to be governed by the Issuer; and

WHEREAS, pursuant to Resolution No. 2018-32 adopted by the Board of Supervisors of the Issuer on July 17, 2018 (the "Original Resolution"), the Issuer has authorized the issuance of its not exceeding \$75,000,000 Veranda Community Development District II Special Assessment Revenue Bonds, in one or more Series (the "Bonds") and has entered into a Master Trust Indenture, dated as of December 1, 2018, between the Issuer and the Trustee (the "Master Indenture") to secure the issuance of the Bonds; and

WHEREAS, the Bonds were validated by the Circuit Court of the Nineteenth Judicial Circuit of the State of Florida in and for St. Lucie County, Florida in a Final Judgment rendered on September 17, 2018, and the appeal period from such final judgment has expired with no appeal being taken; and

WHEREAS, pursuant to the Original Resolution as supplemented by Resolution 2019-02 adopted by the Board of the Issuer on October 23, 2018 (the "2018 Authorizing Resolution") and the Master Indenture as supplemented by a First Supplemental Trust Indenture dated December 1, 2018, the Issuer previously issued its \$7,405,000 Veranda Community Development District II (St. Lucie County, Florida) Special Assessment Revenue Bonds, Series 2018A (Assessment Area One - Gardens East Project) (the "Assessment Area One Bonds"), as a Series of Bonds under the Master Indenture; and

WHEREAS, pursuant to the 2018 Authorizing Resolution and the Master Indenture, as supplemented by a Second Supplemental Trust Indenture dated December 1, 2018, the Issuer previously issued its \$7,045,000 Veranda Community Development District II (St. Lucie County, Florida) Special Assessment Revenue Bonds, Series 2018A (Assessment Area Two - Preserve West Project) (the "Assessment Area Two Bonds"), as a Series of Bonds under the Master Indenture; and

WHEREAS, pursuant to the 2018 Authorizing Resolution and the Master Indenture, as supplemented by a Third Supplemental Trust Indenture dated December 1, 2018 (the “Third Supplemental Indenture”), the Issuer previously issued its \$6,910,000 initial principal amount of Veranda Community Development District II (St. Lucie County, Florida) Special Assessment Revenue Bonds, Series 2018B (Assessment Areas Three, Four and Five) (the “Series 2018B Bonds”) as a Series of Bonds under the Master Indenture; and

WHEREAS, pursuant to the Original Resolution as supplemented by Resolution 2021-04 adopted by the Board of the Issuer on February 19, 2021 (the “2021 Authorizing Resolution”) and the Master Indenture as supplemented by a Fourth Supplemental Trust Indenture dated March 1, 2021 the Issuer previously issued its \$8,090,000 Veranda Community Development District II (St. Lucie County, Florida) Special Assessment Revenue Bonds, Series 2021 (Assessment Area Four – Veranda Oaks Project) (the “2021 Assessment Area Four Bonds”), as a Series of Bonds under the Master Indenture; and

WHEREAS, pursuant to the Original Resolution as supplemented by the 2021 Authorizing Resolution and the Master Indenture as supplemented by a Fifth Supplemental Trust Indenture dated March 1, 2021, the Issuer previously issued its \$5,000,000 Veranda Community Development District II (St. Lucie County, Florida) Special Assessment Revenue Bonds, Series 2021 (Assessment Area Five – Phase 1 - Veranda Estates Project) (the “2021 Assessment Area Five Bonds”), as a Series of Bonds under the Master Indenture; and

WHEREAS, pursuant to the Original Resolution as supplemented by Resolution 2023-\_\_ adopted by the Board of the Issuer on October \_\_, 2023 (collectively, the “2023 Authorizing Resolution”) and the Master Indenture, the Issuer has authorized the issuance, sale and delivery of its \$\_\_\_\_\_ Veranda Community Development District II (St. Lucie County, Florida) Special Assessment Revenue and Refunding Bonds, Series 2023 (Assessment Area Three – Veranda Preserve East Project) (the “Assessment Area Three Bonds”), as a Series of Bonds under the Master Indenture and authorized the execution and delivery of this Sixth Supplemental Indenture to secure the issuance of the Assessment Area Three Bonds and to set forth the terms of the Assessment Area Three Bonds; and

WHEREAS, the Board of Supervisors of the Issuer has duly adopted the Assessment Resolutions (as hereinafter defined) pursuant to Sections 170.03, 170.07 and 170.08, Florida Statutes, defining assessable property to be benefited by the Assessment Area Three Project (hereinafter defined) and determining the Cost of the Assessment Area Three Project to be financed by the Assessment Area Three Bonds. The Assessment Resolutions also address the manner in which the Assessment Area Three Bonds Special Assessments (hereinafter defined) shall be levied against property benefited by Assessment Area Three Project, direct the preparation of an assessment roll, call for a public hearing of the Issuer at which owners of property to be subject to the Assessment Area Three Bonds Special Assessments may be heard as to the propriety and advisability of undertaking the Assessment Area Three Project, as to the cost thereof, the manner of payment therefor, and the amount to be assessed against each property subject to the debt assessments, and states the intent of the Issuer to issue the Assessment Area Three Bonds to finance the costs of the acquisition and construction of all or a portion of the Assessment Area Three Project and the Board of Supervisors of the Issuer has adopted resolutions, following public hearings conducted in accordance with the Act, to fix and

establish the debt assessments, including, but not limited to the Assessment Area Three Bonds Special Assessments, and the property upon which such debt assessments will be levied; and

WHEREAS, the Issuer will apply the proceeds of the Assessment Area Three Bonds (i) to currently refund a portion of the outstanding Series 2018B Bonds (the “Refunded Series 2018B Bonds”), (ii) to finance a portion of the Cost of acquisition, construction, installation and equipping of the Assessment Area Three Project; (iii) to pay interest on the Assessment Area Three Bonds through May 1, 2024, (iv) to pay certain costs associated with the issuance of the Assessment Area Three Bonds; and (v) to fund the Assessment Area Three Bonds Debt Service Reserve Account as herein provided; and

WHEREAS, the execution and delivery of the Assessment Area Three Bonds and of this Sixth Supplemental Indenture have been duly authorized by the Board of the Issuer and all things necessary to make the Assessment Area Three Bonds, when executed by the Issuer and authenticated by the Trustee, valid and binding legal obligations of the Issuer and to make this Sixth Supplemental Indenture a valid and binding agreement and, together with the Master Indenture (the Master Indenture, as supplemented by this Sixth Supplemental Indenture, the “Indenture”), a valid and binding lien on the Assessment Area Three Bonds Pledged Revenues (as hereinafter defined) have been done.

NOW, THEREFORE, THIS SIXTH SUPPLEMENTAL INDENTURE WITNESSETH, that to provide for the issuance of the Assessment Area Three Bonds, the security and payment of the principal or Redemption Price thereof (as the case may be) and interest thereon, the rights of the Bondholders and the performance and observance of all of the covenants contained herein and in said Assessment Area Three Bonds, and for and in consideration of the mutual covenants herein contained and of the purchase and acceptance of the Assessment Area Three Bonds by the Owners thereof, from time to time, and of the acceptance by the Trustee of the trusts hereby created, and intending to be legally bound hereby, the Issuer does hereby assign, transfer, set over and pledge to U.S. Bank Trust Company, N.A., as Trustee, its successors in trust and its assigns forever, and grants a lien on all of the right, title and interest of the Issuer in and to the Assessment Area Three Bonds Pledged Revenues (hereinafter defined) as security for the payment of the principal, redemption or purchase price of (as the case may be) and interest on the Assessment Area Three Bonds issued hereunder and any Bonds issued on a parity with the Assessment Area Three Bonds, all in the manner hereinafter provided, and the Issuer further hereby agrees with and covenants unto the Trustee as follows:

TO HAVE AND TO HOLD the same and any other revenues, property, contracts or contract rights, accounts receivable, chattel paper, instruments, general intangibles or other rights and the proceeds thereof, which may, by delivery, assignment or otherwise, be subject to the lien created by the Indenture.

IN TRUST NEVERTHELESS, for the equal and ratable benefit and security of all present and future Owners of the Assessment Area Three Bonds issued and to be issued under this Sixth Supplemental Indenture, without preference, priority or distinction as to lien or otherwise (except as otherwise specifically provided in this Sixth Supplemental Indenture) of any one Assessment Area Three Bond over any other Assessment Area Three Bond, all as provided in the Indenture, and any Bonds issued on a parity with the Assessment Area Three Bonds.

PROVIDED, HOWEVER, that if the Issuer, its successors or assigns, shall well and truly pay, or cause to be paid, or make due provision for the payment of the principal or Redemption Price of the Assessment Area Three Bonds issued and any Bonds issued on a parity with the Assessment Area Three Bonds, secured and Outstanding hereunder and the interest due or to become due thereon, at the times and in the manner mentioned in such Assessment Area Three Bonds and the Indenture, according to the true intent and meaning thereof and hereof, and the Issuer shall well and truly keep, perform and observe all the covenants and conditions pursuant to the terms of the Indenture to be kept, performed and observed by it, and shall pay or cause to be paid to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions hereof, then upon such final payments this Sixth Supplemental Indenture and the rights hereby granted shall cease and terminate, otherwise this Sixth Supplemental Indenture to be and remain in full force and effect.



## **ARTICLE I**

### **DEFINITIONS**

In this Sixth Supplemental Indenture capitalized terms used without definition shall have the meanings ascribed thereto in the Master Indenture and, in addition, the following terms shall have the meanings specified below, unless otherwise expressly provided or unless the context otherwise requires:

“Acquisition Agreement” shall mean one or more improvement acquisition agreements relating to the Assessment Area Three Project, between the Landowner and the Issuer.

“Arbitrage Certificate” shall mean that certain Federal Tax Certificate, including arbitrage rebate covenants, of the Issuer, dated as of November \_\_, 2023, relating to certain restrictions on arbitrage under the Code.

“Assessment Area Three” shall mean the lands on which the Assessment Area Three Bonds Special Assessments are initially levied, the legal description for which is set forth on Exhibit A hereto.

“Assessment Area Three Bonds Acquisition and Construction Account” shall mean the Account so designated, established as a separate account within the Acquisition and Construction Fund pursuant to Section 4.01(a) of this Sixth Supplemental Indenture.

“Assessment Area Three Bond Redemption Account” shall mean the Assessment Area Three Bond Redemption Account established pursuant to Section 4.01(g) of this Sixth Supplemental Indenture.

“Assessment Area Three Bonds” shall mean the \$\_\_\_\_\_ aggregate principal amount of Veranda Community Development District II (St. Lucie County, Florida) Special Assessment Revenue and Refunding Bonds, Series 2023 (Assessment Area Three - Veranda Preserve East Project), to be issued as fully registered bonds in accordance with the provisions of the Master Indenture and this Sixth Supplemental Indenture, and secured and authorized by the Master Indenture and this Sixth Supplemental Indenture.

“Assessment Area Three Bonds Capitalized Interest Subaccount” shall mean the subaccount so designated, established as a separate subaccount within the Assessment Area Three Bonds Interest Account pursuant to Section 4.01(d) of this Sixth Supplemental Indenture.

“Assessment Area Three Bonds Debt Service Reserve Account” shall mean the Account so designated, established as a separate account within the Debt Service Reserve Fund pursuant to Section 4.01(f) of this Sixth Supplemental Indenture.

“Assessment Area Three Bonds General Subaccount” shall mean the subaccount so designated, established as a separate subaccount under the Assessment Area Three Bond Redemption Account pursuant to Section 4.01(g) of this Sixth Supplemental Indenture.

“Assessment Area Three Bonds Interest Account” shall mean the Account so designated, established as a separate account within the Debt Service Fund pursuant to Section 4.01(d) of this Sixth Supplemental Indenture.

“Assessment Area Three Bonds Pledged Revenues” or “Pledged Revenues” shall mean with respect to the Assessment Area Three Bonds (a) all revenues received by the Issuer from Assessment Area Three Bonds Special Assessments, including, without limitation, amounts received from any foreclosure proceeding for the enforcement of collection of such Assessment Area Three Bonds Special Assessments or from the issuance and sale of tax certificates with respect to such Assessment Area Three Bonds Special Assessments, and (b) all moneys on deposit in the Funds and Accounts established under the Indenture with respect to the Assessment Area Three Bonds; provided, however, that Assessment Area Three Bonds Pledged Revenues shall not include (i) any moneys transferred to the Rebate Fund, or investment earnings thereon and (ii) “special assessments” levied and collected by the Issuer under Section 190.022 of the Act for maintenance purposes or “maintenance special assessments” levied and collected by the Issuer under Section 190.021(3) of the Act (it being expressly understood that the lien and pledge of the Indenture shall not apply to any of the moneys described in the foregoing clauses (i) and (ii) of this proviso).

“Assessment Area Three Bond Prepayment” shall mean the monies received as a result of payment by any owner of property of the Assessment Area Three Bonds Special Assessments encumbering its property, in whole or in part, prior to its scheduled due date, including optional prepayments.

“Assessment Area Three Bond Prepayment Principal” shall mean the portion of an Assessment Area Three Bond Prepayment corresponding to the principal amount of Assessment Area Three Bonds Special Assessments being prepaid.

“Assessment Area Three Bonds Prepayment Subaccount” shall mean the account so designated, established as a separate account under the Assessment Area Three Bond Redemption Account pursuant to Section 4.01(g) of this Sixth Supplemental Indenture.

“Assessment Area Three Bonds Principal Account” shall mean the Account so designated, established as a separate account within the Debt Service Fund pursuant to Section 4.01(c) of this Sixth Supplemental Indenture.

“Assessment Area Three Bonds Revenue Account” shall mean the Account so designated, established as a separate account within the Revenue Fund pursuant to Section 4.01(b) of this Sixth Supplemental Indenture.

“Assessment Area Three Bonds Sinking Fund Account” shall mean the Account so designated, established as a separate account within the Debt Service Fund pursuant to Section 4.01(e) of this Sixth Supplemental Indenture.

“Assessment Area Three Bonds Special Assessments” shall mean the portion of the Special Assessments levied corresponding to the debt service on the Assessment Area Three Bonds.

“Assessment Area Three Project” shall mean the planning, financing, acquisition, construction, equipping and installation of certain infrastructure improvements consisting of the improvements relating to Assessment Area Three described in the Supplement No. \_\_ to the Engineer’s Report, dated October \_\_, 2023, prepared by Culpepper & Terpening, Inc., as the District’s Consulting Engineer, and adopted by the District, as such improvements may be modified from time to time by the District Engineer in an Engineer’s Report approved by the District:

“Assessment Area Five – Phase 2 Bonds” shall mean the \$\_\_\_\_\_ aggregate principal amount of Veranda Community Development District II (St. Lucie County, Florida) Special Assessment Revenue and Refunding Bonds, Series 2023 (Assessment Area Five – Phase 3 – Veranda Estates Project), to be issued as fully registered bonds in accordance with the provisions of the Master Indenture and a seventh Supplemental Trust Indenture, dated as of November 1, 2023, between the Issuer and the Trustee, which Assessment Area Five – Phase 2 Bonds are separate and apart from the Assessment Area Three Bonds and are not issued under or secured by this Sixth Supplemental Indenture.

“Assessment Resolutions” shall mean Resolutions 2018-30 and 2018-31 of the Issuer dated September 17, 2018, Resolution 2019-03 of the Issuer adopted October 23, 2018, and Resolution 2023-\_\_ of the Issuer dated November \_\_, 2023, as amended and supplemented from time to time.

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

“Capital Improvement Plan” shall mean Capital Improvement Plan as described in the Engineers Report, dated August 27, 2018, together with Supplement No. \_\_ dated October \_\_, 2023, prepared by Culpepper & Terpening, Inc., as District Engineer, and adopted by the District, setting forth the public infrastructure improvements to be constructed by the District, as amended and supplemented from time to time with the approval of the District.

“Capitalized Interest” shall mean interest due or to become due on the Assessment Area Three Bonds, which will be paid, or is expected to be paid, from the proceeds of the Assessment Area Three Bonds, respectively.

“Collateral Assignment” shall mean that certain Collateral Assignment and Assumption of Development Rights Relating to the Assessment Area Three Project and dated as of November \_\_, 2023 between the Issuer and the Landowner, as amended from time to time.

“Completion Agreement” shall mean the Completion Agreement dated as of November \_\_, 2023 between the Issuer and the Landowner as such agreement may be modified from time to time.

“Continuing Disclosure Agreement” shall mean the continuing disclosure agreement for the benefit of the Beneficial Owners of the Assessment Area Three Bonds, to be entered into among the Issuer, the Landowner and Rizzetta & Company, as dissemination agent, and agreed to and acknowledged by the Trustee, dated November \_\_, 2023 in connection with the issuance of the Assessment Area Three Bonds.

“Debt Service Reserve Requirement” shall mean, with respect to the Assessment Area Three Bonds, until the Reserve Account Release Conditions have been satisfied, an amount equal to the 50% of the maximum annual debt service with respect to the Outstanding Assessment Area Three Bonds. On the date the Reserve Account Release Conditions have been satisfied, the Debt Service Reserve Requirement for the Assessment Area Three Bonds shall be reduced to an amount equal to 10% of the maximum annual debt service with respect to the Outstanding Assessment Area Three Bonds. Any excess in the Assessment Area Three Debt Service Reserve Account as a result of such reduction in the Debt Service Reserve Requirement for the Assessment Area Three Bonds shall be deposited into the Assessment Area Three Acquisition and Construction Account. Any amount in the Assessment Area Three Debt Service Reserve Account may, upon final maturity or redemption of all Outstanding Assessment Area Three Bonds, be used to pay principal of and interest on the Assessment Area Three Bonds. The District or the District Manager, on behalf of the District, shall provide written notice to the Trustee when the Reserve Account Release Conditions have been satisfied, upon which the Trustee may conclusively rely. The Debt Service Reserve Requirement for the Assessment Area Three Bonds shall be re-calculated upon the payment of principal of the Assessment Area Three Bonds pursuant to extraordinary mandatory redemption (but not upon optional redemption or mandatory redemption to satisfy Amortization Installments). The Debt Service Reserve Requirement for the Assessment Area Three Bonds is initially \$\_\_\_\_\_.

“Defeasance Securities” shall mean, with respect to the Assessment Area Three Bonds, to the extent permitted by law, (a) cash deposits, and (b) direct obligations of the United States of America (including obligations issued or held in book entry form on the books of the Department of Treasury), which are non-callable and non-prepayable.

“Indenture” shall mean collectively, the Master Indenture and this Sixth Supplemental Indenture.

“Interest Payment Date” shall mean May 1 and November 1 of each year, commencing May 1, 2024.

“Landowner” shall mean \_\_\_\_\_, a [Delaware limited liability company], and any entity which succeeds to all or any part of the interests and assumes any or all of the responsibilities of said entity as owner a majority of the lands subject to the Assessment Area Three Bonds Special Assessments.

“Majority Owners” shall mean the Beneficial Owners of more than 50% of the principal amount of the Assessment Area Three Bonds Outstanding.

“Master Indenture” shall mean the Master Trust Indenture, dated as of December 1, 2018, by and between the Issuer and the Trustee, as supplemented and amended with respect to matters pertaining solely to the Master Indenture or the Assessment Area Three Bonds (excluding supplements or amendments relating to Series of Bonds other than the Assessment Area Three Bonds).

“Paying Agent” shall mean U.S. Bank Trust Company, N.A., and its successors and assigns as Paying Agent hereunder.

“Quarterly Redemption Date” means each February 1, May 1, August 1 and November 1.

“Refunded Series 2018B Bonds” shall mean \$3,040,000 in principal amount of the Series 2018B Bonds, which correspond to the Series 2018B Special Assessments (as defined in the Third Supplemental Indenture) on the tax parcels on which the Assessment Area Three Bonds Assessments will be imposed.

“Reserve Account Release Conditions” shall mean (i) all of the platted single-family residential lots subject to the Assessment Area Three Bonds Special Assessments have been constructed and received a certificate of occupancy; and (ii) no Event of Default has occurred and is continuing with respect to any outstanding Bonds of the District.

“Registrar” shall mean U.S. Bank Trust Company, N.A., and its successors and assigns as Registrar hereunder.

“Resolution” shall mean, collectively, (i) Resolution 2018-32 of the Issuer dated July 17, 2018, pursuant to which the Issuer authorized the issuance of not exceeding \$75,000,000 aggregate principal amount of its Special Assessment Revenue Bonds to finance the planning, financing, acquisition, construction, reconstruction, equipping and installation of the Capital Improvement Plan, and (ii) Resolution 2023-\_\_ of the Issuer adopted October \_\_, 2023, pursuant to which the Issuer authorized the issuance of the Assessment Area Three Bonds and the Assessment Area Three Bonds, specifying certain details of the Assessment Area Three Bonds and delegating authority to the Chairman and Vice Chairman to award and sell the Assessment Area Three Bonds.

“Series 2018B Bonds” shall mean the \$6,910,000 aggregate principal amount of Veranda Community Development District II (St. Lucie County, Florida) Special Assessment Revenue Bonds, Series 2018B (Assessment Areas Three, Four and Five), issued in accordance with the provisions of the Master Indenture and a Third Supplemental Trust Indenture, dated as of December 1, 2018, between the Issuer and the Trustee.

“Substantially Absorbed” shall mean the date on which a principal amount of the Assessment Area Three Bonds Special Assessments equaling at least seventy-five percent (75%) of the then-Outstanding principal amount of the Assessment Area Three Bonds are levied on tax parcels within the District with respect to which a certificate of occupancy has been issued for a structure thereon.

“Underwriter” shall mean FMSbonds, Inc.

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

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

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

[End of Article I]



**ARTICLE II**  
**THE ASSESSMENT AREA THREE BONDS**

SECTION 2.01      Amounts and Terms of Assessment Area Three Bonds; Issue of Assessment Area Three Bonds. The Assessment Area Three Bonds are hereby authorized to be issued in the aggregate principal amount of \$\_\_\_\_\_ for the purposes enumerated in the recitals hereto.

The Assessment Area Three Bonds shall be a separate Series of Bonds for all purposes under the Indenture, including but not limited to, determining requisite percentages for consent or control by Owners and consents to amendments and the occurrence of defaults and Events of Default. The Assessment Area Three Bonds shall be secured by the Assessment Area Three Bonds Pledged Revenues. The Assessment Area Three Bonds are not cross secured or cross defaulted with any other Series of Bonds issued under the Master Indenture.

Any and all Assessment Area Three Bonds shall be issued substantially in the form attached hereto as Exhibit B, with such appropriate variations, omissions and insertions as are permitted or required by the Indenture and with such additional changes as may be necessary or appropriate to conform to the provisions of the Resolution. The Issuer shall issue the Assessment Area Three Bonds upon execution of this Sixth Supplemental Indenture and satisfaction of the requirements of Section 3.01 of the Master Indenture; and the Trustee shall, at the Issuer's request, authenticate such Assessment Area Three Bonds and deliver them as specified in the request.

SECTION 2.02      Execution. The Assessment Area Three Bonds shall be executed by the Issuer as set forth in the Master Indenture.

SECTION 2.03      Authentication. The Assessment Area Three Bonds shall be authenticated as set forth in the Master Indenture. No Assessment Area Three Bond shall be valid until the certificate of authentication shall have been duly executed by the Trustee, as provided in the Master Indenture.

SECTION 2.04      Purpose, Designation and Denominations of, and Interest Accruals on, the Assessment Area Three Bonds.

(a)      The Assessment Area Three Bonds are being issued hereunder in order to provide funds (i) to currently refund the Refunded Series 2018B Bonds, (ii) for the payment of a portion of the costs of the Assessment Area Three Project, (iii) for the payment of interest on the Assessment Area Three Bonds through May 1, 2024, (iv) to fund the Assessment Area Three Bonds Debt Service Reserve Account, and (v) to pay a portion of the costs of issuance of the Assessment Area Three Bonds. The Assessment Area Three Bonds shall be designated "Veranda Community Development District II (St. Lucie County, Florida) Special Assessment Revenue and Refunding Bonds, Series 2023 (Assessment Area Three - Veranda Preserve East Project)", and shall be issued as fully registered bonds without coupons in Authorized Denominations. The Assessment Area Three Bonds shall be numbered consecutively from R-1 and upwards.

(b) The Assessment Area Three Bonds shall be dated the date of delivery thereof. Interest on the Assessment Area Three Bonds shall be payable on each Interest Payment Date to maturity or prior redemption as provided in the form of the Assessment Area Three Bond attached hereto and in Section 2.01 of the Master Indenture.

SECTION 2.05 Terms of the Assessment Area Three Bonds.

(a) The Assessment Area Three Bonds will mature in the following principal amounts on the dates indicated below, subject to the right of prior redemption in accordance with their terms, and bear interest as set forth below:

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
May 1, 20__	\$	%
May 1, 20__		
May 1, 20__		
May 1, 20__		

SECTION 2.06 Disposition of Assessment Area Three Bond Proceeds.

From the net proceeds of the Assessment Area Three Bonds received by the Trustee,

(i) \$\_\_\_\_\_ representing Capitalized Interest shall be deposited in the Assessment Area Three Bonds Capitalized Interest Subaccount,

(ii) \$\_\_\_\_\_ (which is an amount equal to the initial Debt Service Reserve Requirement in respect of the Assessment Area Three Bonds) shall be deposited in the Assessment Area Three Bonds Debt Service Reserve Account of the Debt Service Reserve Fund,

(iii) \$\_\_\_\_\_ shall be deposited in the 2023 AA3 Cost of Issuance Account and applied to costs of issuance in accordance with Article V of the Master Indenture,

(iv) \$\_\_\_\_\_, representing the amount necessary (together with other funds available within the accounts associated with the Refunded Series 2018B Bonds in the amount of \$\_\_\_\_\_) to redeem the Refunded Series 2018B Bonds, shall be deposited by the Trustee into the General Account of the Series 2018B Redemption Account established under the Third Supplemental Indenture and used to redeem the Refunded Series 2018B Bonds; and

(iv) \$\_\_\_\_\_ constituting all remaining proceeds of the Assessment Area Three Bonds, shall be deposited in the Assessment Area Three Bonds Acquisition and Construction Account to be applied to Assessment Area Three Project Costs in accordance with Article V of the Master Indenture. Additional moneys shall be deposited in the Assessment Area Three Acquisition and Construction Account from the Assessment Area Three Debt Service Reserve Account as a result of the Reserve Account Release Conditions being satisfied.



SECTION 2.07 Book-Entry Form of Assessment Area Three Bonds. The Assessment Area Three Bonds shall be issued as one fully registered bond per maturity of each series and deposited with The Depository Trust Company, New York, New York, which is responsible for establishing and maintaining records of ownership for its participants. While the Assessment Area Three Bonds are held in a book-entry-only system, such Assessment Area Three Bonds are not required to be presented for payment at maturity or upon redemption.

The Issuer and the Trustee, if appropriate, shall enter into a letter of representations with DTC providing for such book-entry-only system, in accordance with the provisions of Section 2.11 of the Master Indenture. Such agreement 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, at the expense of the Issuer, register and deliver to the Beneficial Owners replacement Assessment Area Three Bonds in the form of fully registered Assessment Area Three Bonds in accordance with the instructions from Cede & Co.

SECTION 2.08 Appointment of Registrar and Paying Agent. The Issuer shall keep, at the designated corporate trust office of the Registrar, the Bond Register for the registration, transfer and exchange of the Assessment Area Three Bonds, and hereby appoints U.S. Bank Trust Company, N.A. as its Registrar to keep such books and make such registrations, transfers, and exchanges as required hereby. U.S. Bank Trust Company, N.A. hereby accepts its appointment as Registrar and its duties and responsibilities as Registrar hereunder. Registrations, transfers and exchanges shall be without charge to the Bondholder requesting such registration, transfer or exchange, but such Bondholder shall pay any taxes or other governmental charges on all registrations, transfers and exchanges.

The Issuer hereby appoints U.S. Bank Trust Company, N.A. as Paying Agent for the Assessment Area Three Bonds. U.S. Bank Trust Company, N.A. hereby accepts its appointment as Paying Agent and its duties and responsibilities as Paying Agent hereunder.

[End of Article II]

**ARTICLE III**  
**REDEMPTION OF ASSESSMENT AREA THREE BONDS**

SECTION 3.01      Redemption Dates and Prices. The Assessment Area Three Bonds shall be subject to redemption at the times and in the manner provided in Article VIII of the Master Indenture and in this Article III. All payments of the Redemption Price of the Assessment Area Three Bonds shall be made on the dates hereinafter required. Except as otherwise provided in Section 3.01(a) below, if less than all the Assessment Area Three Bonds are to be redeemed, the Trustee shall select the Assessment Area Three Bonds or portions of the Assessment Area Three Bonds to be redeemed as provided in Section 8.04 of the Master Indenture.

(a)      Optional Redemption.

The Assessment Area Three Bonds may, at the option of the Issuer, be called for redemption prior to maturity in whole or in part on any date on or after \_\_\_\_ 1, 20\_\_ (the maturities to be selected by the Issuer and if less than all of a maturity, the Assessment Area Three Bonds to be selected as provided in the Master Indenture), at the Redemption Price of 100% of their principal amount plus accrued interest from the most recent Interest Payment Date to the redemption date.

(b)      Extraordinary Mandatory Redemption in Whole or in Part. The Assessment Area Three Bonds are subject to extraordinary mandatory redemption prior to maturity by the Issuer in whole, on any date, or in part, on any Quarterly Redemption Date, at an extraordinary mandatory Redemption Price equal to 100% of the principal amount of the Assessment Area Three Bonds to be redeemed, plus interest accrued to the redemption date, as follows:

(i)      from Assessment Area Three Bond Prepayment Principal deposited into the Assessment Area Three Bonds Prepayment Subaccount following the prepayment in whole or in part of Assessment Area Three Bonds Special Assessments in accordance with the provisions of Section 4.03(a) of this Sixth Supplemental Indenture, including excess moneys transferred from the Assessment Area Three Bonds Debt Service Reserve Account to the Assessment Area Three Bonds Prepayment Subaccount resulting from such Assessment Area Three Bond Prepayments pursuant to Section 4.01(f)(ii) of this Sixth Supplemental Indenture;

(ii)      from moneys, if any, on deposit in the Assessment Area Three Bonds Accounts and Subaccounts in the Assessment Area Three Bonds Funds and Accounts (other than the Rebate Fund) sufficient to pay and redeem all Assessment Area Three Bonds Outstanding Bonds and accrued interest thereon to the redemption date or dates in addition to all amounts owed to Persons under the Master Indenture.

(iii)      on or after the Completion Date of the Assessment Area Three Project, by application of moneys remaining in the Assessment Area Three Bonds Acquisition and Construction Account not reserved by the Issuer for the payment

of any remaining part of the Cost of the Assessment Area Three Project (as specified in a written certificate from the Issuer to the Trustee specifying the amount to be reserved), all of which shall be transferred as specified in Section 4.01(a) hereof to the Assessment Area Three Bonds General Subaccount, credited toward extinguishment of the Assessment Area Three Bonds Special Assessments in the manner provided by law and the Assessment Resolutions and applied toward the redemption of the Assessment Area Three Bonds in accordance with the manner it has credited such excess moneys toward extinguishment of Assessment Area Three Bonds Special Assessments which the Issuer shall describe to the Trustee in writing; and

(iv) from amounts on deposit in the Assessment Area Three Bonds Debt Service Reserve Account in excess of the Debt Service Reserve Requirement for the Assessment Area Three Bonds and transferred to the Assessment Area Three Bonds General Subaccount in accordance with Section 6.05 of the Master Indenture and Section 4.01(f)(i) hereof to be used for the extraordinary mandatory redemption of the Assessment Area Three Bonds.

(c) Mandatory Sinking Fund Redemption. (i) The Assessment Area Three Bonds maturing on May 1, 20\_\_, are subject to mandatory redemption in part by the District by lot prior to their scheduled maturity from moneys in the Assessment Area Three Sinking Fund Account established under the Indenture in satisfaction of applicable Sinking Fund Installments at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

Year (May 1)	Principal <u>Amount</u> \$
-----------------	----------------------------------

\*

\* Maturity.

(ii) The Assessment Area Three Bonds maturing on May 1, 20\_\_, are subject to mandatory redemption in part by the District by lot prior to their scheduled maturity from moneys in the Assessment Area Three Sinking Fund Account established under the Indenture in satisfaction of applicable Sinking Fund Installments at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

Year	Principal
<u>(May 1)</u>	<u>Amount</u>
	\$

\*

---

\* Maturity.

(iii) The Assessment Area Three Bonds maturing on May 1, 20\_\_, are subject to mandatory redemption in part by the District by lot prior to their scheduled maturity from moneys in the Assessment Area Three Sinking Fund Account established under the Indenture in satisfaction of applicable Sinking Fund Installments at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

Year	Principal
<u>(May 1)</u>	<u>Amount</u>
	\$

\*

---

\* Maturity.

(iv) The Assessment Area Three Bonds maturing on May 1, 20\_\_, are subject to mandatory redemption in part by the District by lot prior to their scheduled maturity from moneys in the Assessment Area Three Sinking Fund Account established under the Indenture in satisfaction of applicable Sinking Fund Installments at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

Year	Principal
<u>(May 1)</u>	<u>Amount</u>
	\$

\*

---

\* Maturity.

(v) Upon any redemption of Assessment Area Three Bonds other in accordance with scheduled Sinking Fund Installments, the District shall cause to be recalculated and delivered to the Trustee revised Sinking Fund Installments recalculated so as to amortize the Outstanding

principal of the Assessment Area Three Bonds in substantially equal annual installments of principal and interest (subject to rounding to Authorized Denominations of principal) over the remaining term of the Assessment Area Three Bonds.

SECTION 3.02      Notice of Redemption. When required to redeem Assessment Area Three Bonds under any provision of this Sixth Supplemental Indenture or directed to redeem Assessment Area Three Bonds by the Issuer, the Trustee shall give or cause to be given to Owners of the Assessment Area Three Bonds to be redeemed notice of the redemption, as set forth in Section 8.02 of the Master Indenture.

[End of Article III]

**ARTICLE IV**  
**ESTABLISHMENT OF CERTAIN FUNDS AND ACCOUNTS;**  
**ADDITIONAL COVENANTS OF THE ISSUER; PREPAYMENTS; REMOVAL OF**  
**SPECIAL ASSESSMENT LIENS**

SECTION 4.01      Establishment of Certain Funds and Accounts.

(a) The Trustee shall establish a separate account within the Acquisition and Construction Fund designated as the "Assessment Area Three Bonds Acquisition and Construction Account". Proceeds of the Assessment Area Three Bonds shall be deposited into the Assessment Area Three Bonds Acquisition and Construction Account in the amount set forth in Section 2.06 of this Sixth Supplemental Indenture, together with any excess moneys transferred to the Assessment Area Three Bonds Acquisition and Construction Account and money transferred from the Assessment Area Three Debt Service Reserve Account as a result of the Reserve Account Release Conditions being satisfied, and such moneys in the Assessment Area Three Bonds Acquisition and Construction Account shall be applied as set forth in Article V of the Master Indenture and Sections 4.01(a) and 3.01(b)(iii) of this Sixth Supplemental Indenture. Before any such payment shall be made, the Issuer shall file with the Trustee a fully executed requisition, in the form set forth in Exhibit C attached hereto, signed by a Responsible Officer and, except for payments of costs of issuance, a certificate of the Consulting Engineer signed by a Consulting Engineer, which certificate shall be part of the requisition. The Trustee shall be entitled to conclusively rely on such certification to pay such requisition.

After the Completion Date of the Assessment Area Three Project and after retaining in the Assessment Area Three Bonds Acquisition and Construction Account the amount, if any, of all remaining unpaid Costs of the Assessment Area Three Project (as set forth in an Officer's Certificate of the District to the Trustee specifying the amount to be retained), any funds remaining in the Assessment Area Three Bonds Acquisition and Construction Account shall be transferred into the Assessment Area Three Bonds General Subaccount and applied to the extraordinary mandatory redemption of the Assessment Area Three Bonds, and the Assessment Area Three Bonds Acquisition and Construction Account shall be closed. Notwithstanding the foregoing, the District shall not declare that the Completion Date has occurred until after the Reserve Account Release Conditions have been satisfied and all moneys transferred from the Assessment Area Three Debt Service Reserve Account to the Assessment Area Three Acquisition and Construction Account have been expended or the District Engineer has certified in writing to the District and the Trustee that such amount is in excess of what is needed to complete the Assessment Area Three Project.

After the occurrence of an Event of Default specified in Subsections 10.02(g) or 10.02(h) of the Master Indenture resulting from the non-payment of Assessment Area Three Bonds Special Assessments allocated to property owned by the Landowner, disbursements from the Assessment Area Three Bonds Acquisition and Construction Account shall be made only with the consent of the Majority Owners, provided that no such consent shall be required for disbursements for Costs incurred by the Issuer under acquisition or construction contracts entered into by the Issuer prior to the occurrence of such Event of Default which Costs relate to work performed before the later of (i) 30 days after the notification by the Trustee of such Event

of Default or (ii) the earliest date on which the Issuer is entitled to suspend or terminate such acquisition or construction contract in its discretion.

In addition, the Trustee shall establish a separate account within the Acquisition and Construction Fund designated as the “2023 AA3 Cost of Issuance Account”. Proceeds of the Assessment Area Three Bonds shall be deposited into the 2023 AA3 Cost of Issuance Account in the amounts set forth in Section 2.06 of this Sixth Supplemental Indenture. Such moneys in the 2023 AA3 Cost of Issuance Account shall be applied as set forth in Article V of the Master Indenture and this Section 4.01(a) to pay issuance costs related to the Assessment Area Three Bonds, pursuant to requisitions as required by Article V of the Master Indenture. Any amounts remaining in the Series 2023 AA3 Costs of Issuance Account after the earlier of (i) payment of all of the issuance cost related to the Assessment Area Three Bonds or (ii) six months after the initial delivery of the Assessment Area Three Bonds, shall be transferred to the Assessment Area Three Acquisition and Construction Account established under this Sixth Supplemental Indenture to be used for the purposes permitted therefor, and thereupon the 2023 AA3 Costs of Issuance Account shall be closed. The Trustee shall be entitled to conclusively rely on the requisitions submitted by the Issuer as to the payment of the issuance costs related to the Assessment Area Three Bonds.

(b) Pursuant to Section 6.03 of the Master Indenture, the Trustee shall establish a separate account within the Revenue Fund designated as the “Assessment Area Three Bonds Revenue Account”. All amounts received by the Issuer from the levy of the Assessment Area Three Bonds Special Assessments (except for Assessment Area Three Bond Prepayment Principal, as designated by the Issuer upon delivery to the Trustee, which shall be deposited in the Assessment Area Three Bonds Prepayment Subaccount) shall be deposited by the Trustee into the Assessment Area Three Bonds Revenue Account, which shall be applied as set forth in Article VI of the Master Indenture and Section 4.02 of this Sixth Supplemental Indenture.

(c) Pursuant to Section 6.04 of the Master Indenture, the Trustee shall establish a separate account within the Debt Service Fund designated as the “Assessment Area Three Bonds Principal Account”. Moneys shall be deposited into the Assessment Area Three Bonds Principal Account as provided in Article VI of the Master Indenture and Section 4.02 of this Sixth Supplemental Indenture, and applied for the purposes provided therein.

(d) Pursuant to Section 6.04 of the Master Indenture, the Trustee shall establish a separate account within the Debt Service Fund designated as the “Assessment Area Three Bonds Interest Account” and within such Account, the “Assessment Area Three Bonds Capitalized Interest Subaccount”. Moneys deposited into the Assessment Area Three Bonds Interest Account pursuant to the Master Indenture and Section 4.02 of this Sixth Supplemental Indenture, shall be applied for the purposes provided therein.

In the event that on May 1, 2024, the amount of proceeds of the Assessment Area Three Bonds representing Capitalized Interest on deposit in the Assessment Area Three Bonds Capitalized Interest Subaccount exceeds the amount needed for Capitalized Interest with respect to the Assessment Area Three Bonds, such excess shall be retained therein and used to pay interest due on the succeeding Interest Payment Date.



(e) Pursuant to Section 6.04 of the Master Indenture, the Trustee shall establish a separate account within the Debt Service Fund designated as the “Assessment Area Three Bonds Sinking Fund Account”. Moneys shall be deposited into the Assessment Area Three Bonds Sinking Fund Account as provided in Article VI of the Master Indenture and Section 4.02 of this Sixth Supplemental Indenture and applied for the purposes provided therein and in Section 3.01(c) of this Sixth Supplemental Indenture.

(f) Pursuant to Section 6.05 of the Master Indenture, the Trustee shall establish an account within the Debt Service Reserve Fund designated as the “Assessment Area Three Bonds Debt Service Reserve Account”. As long as there exists no Event of Default under the Indenture to the actual knowledge of a Responsible Officer of the Trustee and the amounts in the Assessment Area Three Bonds Debt Service Reserve Account are not reduced below the Debt Service Reserve Requirement, earnings on investments in the Assessment Area Three Bonds Debt Service Reserve Account shall be transferred: prior to May 1, 2024 to the Assessment Area Three Bonds Capitalized Interest Subaccount of the Assessment Area Three Bonds Interest Account, then, after May 1, 2024 and prior to the Completion Date to the Assessment Area Three Bonds Acquisition and Construction Account to be used and applied as set forth in Article V of the Master Indenture, then, after the Completion Date, to the Assessment Area Three Bonds Revenue Account. If as of the last date on which amounts on deposit in the Assessment Area Three Bonds Debt Service Reserve Account were valued by the Trustee there was a deficiency in the Assessment Area Three Bonds Debt Service Reserve Account, or if after such date withdrawals have been made from the Assessment Area Three Bonds Debt Service Reserve Account and have created such a deficiency, then earnings on investments in the Assessment Area Three Bonds Debt Service Reserve Account for the Assessment Area Three Bonds shall be deposited to the credit of the Assessment Area Three Bonds Debt Service Reserve Account for the Assessment Area Three Bonds until the amount on deposit therein equals the Debt Service Reserve Requirement for the Assessment Area Three Bonds.

(i) Proceeds of the Assessment Area Three Bonds shall be deposited into the Assessment Area Three Bonds Debt Service Reserve Account in the amount set forth in Section 2.06 of this Sixth Supplemental Indenture, and such moneys, together with any other moneys deposited into the Assessment Area Three Bonds Debt Service Reserve Account pursuant to the Master Indenture, shall be applied for the purposes provided therein and in this Section 4.01(f)(i). On the 45th day preceding each Quarterly Redemption Date (or, if such date is not a Business Day, on the Business Day next preceding such day), the Trustee shall determine the amount on deposit in the Assessment Area Three Bonds Debt Service Reserve Account and transfer any excess therein above the Debt Service Reserve Requirement for the Assessment Area Three Bonds (other than excess due to optional prepayment of an Assessment Area Three Bonds Special Assessment by the owner of a lot or parcel, which shall be applied as provided in Section 4.01(f)(ii) below) to the Assessment Area Three Bonds General Subaccount for the extraordinary mandatory redemption of Assessment Area Three Bonds in accordance with Section 3.01(b)(iv).

(ii) In the event that the amount of proceeds of the Assessment Area Three Bonds on deposit in the Assessment Area Three Bonds Debt Service Reserve Account exceeds the Debt Service Reserve Requirement with respect to the Assessment Area



Three Bonds due to a decrease in the amount of Assessment Area Three Bonds that will be outstanding as a result of an optional prepayment by the owner of a lot or parcel of land of an Assessment Area Three Bonds Special Assessment against such lot or parcel as provided in Section 4.03(a) of this Sixth Supplemental Indenture, the amount to be released shall be transferred from the Assessment Area Three Bonds Debt Service Reserve Account to the Assessment Area Three Bonds Prepayment Subaccount, as a credit against the Assessment Area Three Bond Prepayment Principal otherwise required to be made by the owner of such lot or parcel.

(g) Pursuant to Section 6.06 of the Master Indenture, the Trustee shall establish a separate Series Bond Redemption Fund designated as the "Assessment Area Three Bond Redemption Account" and within such Fund, a "Assessment Area Three Bonds General Subaccount" and a "Assessment Area Three Bonds Prepayment Subaccount". Except as otherwise provided in this Sixth Supplemental Indenture with respect to Assessment Area Three Bond Prepayment Principal, moneys to be deposited into the Assessment Area Three Bond Redemption Account as provided in Article VI of the Master Indenture shall be deposited to the Assessment Area Three Bonds General Subaccount. Assessment Area Three Bond Prepayment Principal shall be deposited directly into the Assessment Area Three Bonds Prepayment Subaccount as provided in Section 4.01(b) hereof.

(i) Moneys in the Assessment Area Three Bonds General Subaccount (including all earnings on investments held therein) shall be accumulated therein to be used in the following order of priority, to the extent that the need therefor arises:

FIRST, to make such deposits into the Rebate Fund for the Assessment Area Three Bonds, if any, as the Issuer may direct in writing in accordance with the Arbitrage Certificate, such moneys thereupon to be used solely for the purposes specified in the Arbitrage Certificate. Any moneys so transferred from the Assessment Area Three Bonds General Subaccount to the Rebate Fund shall thereupon be free from the lien and pledge of the Indenture;

SECOND, to be used to call for redemption pursuant to Section 3.01(b)(ii) and (iii) hereof an amount of Assessment Area Three Bonds equal to the amount of money transferred to the Assessment Area Three Bonds General Subaccount pursuant to the aforesaid clauses or provisions, as appropriate, for the purpose of such extraordinary mandatory redemption on the dates and at the prices provided in such clauses or provisions, as appropriate; and

THIRD, the remainder to be utilized by the Trustee, at the written direction of a Responsible Officer, to call for redemption on each Quarterly Redemption Date on which Assessment Area Three Bonds are subject to optional redemption pursuant to Section 3.01(a) hereof such amount of Assessment Area Three Bonds as, with the redemption premium, may be practicable; provided, however, that not less than \$5,000 principal amount of Assessment Area Three Bonds shall be called for redemption at one time.

(ii) Moneys in the Assessment Area Three Bonds Prepayment Subaccount (including all earnings on investments held therein) shall be used to call Assessment Area Three Bonds for redemption pursuant to Section 3.01(b)(i) hereof. On the 45th day

preceding each Quarterly Redemption Date (or if such date is not a Business Day, on the Business Day next preceding such day), the Trustee shall determine the amount on deposit in the Assessment Area Three Bonds Prepayment Subaccount and, if the balance therein is greater than zero, shall transfer (but only after transferring sufficient amounts as directed in writing by the Issuer to make the transfers required by Section 4.01(g)(i) FIRST above and confirming that such transfer will not result in a deficiency in any of the transfers required by Section 4.02 FIRST through FIFTH below), from the Assessment Area Three Bonds Revenue Account for deposit into the Assessment Area Three Bonds Prepayment Subaccount, an amount sufficient to increase the amount on deposit therein to the next integral multiple of \$5,000, and, shall thereupon give notice and cause the extraordinary mandatory redemption of Assessment Area Three Bonds on the next succeeding redemption date in the maximum aggregate principal amount for which moneys are then on deposit in the Assessment Area Three Bonds Prepayment Subaccount in accordance with the provisions for extraordinary mandatory redemption of the Assessment Area Three Bonds. All interest due in regard to such redemptions shall be paid from the Assessment Area Three Bonds Interest Account.

SECTION 4.02      Assessment Area Three Bonds Revenue Account. The Trustee shall transfer from amounts on deposit in the Assessment Area Three Bonds Revenue Account to the Funds and Accounts designated below, the following amounts, at the following times and in the following order of priority:

FIRST, not later than the Business Day preceding each May 1 and November 1, to the Assessment Area Three Bonds Interest Account, an amount equal to the interest on the Assessment Area Three Bonds due on such May 1 or November 1, less any amounts on deposit in the Assessment Area Three Bonds Capitalized Interest Subaccount or the Assessment Area Three Bonds Interest Account not previously credited;

SECOND, no later than the Business Day next preceding each May 1, to the Assessment Area Three Bonds Principal Account, an amount equal to the principal amount of Assessment Area Three Bonds Outstanding maturing on such May 1, if any, less any amounts on deposit in the Assessment Area Three Bonds Principal Account not previously credited;

THIRD, no later than the Business Day next preceding each May 1, to the Assessment Area Three Bonds Sinking Fund Account, an amount equal to the Sinking Fund Installment due on such May 1, if any, less any amount on deposit in the Assessment Area Three Bonds Sinking Fund Account not previously credited;

FOURTH, not later than the Business Day next succeeding each Interest Payment Date, to the Assessment Area Three Bonds Debt Service Reserve Account, an amount equal to the amount, if any, which is necessary to make the amount on deposit therein equal to the Debt Service Reserve Requirement for the Assessment Area Three Bonds;

FIFTH, notwithstanding the foregoing, at any time the Assessment Area Three Bonds are subject to redemption on a date which is not a May 1 or November 1, the Trustee shall be authorized to transfer from the Assessment Area Three Bonds Revenue

Account to the Assessment Area Three Bonds Interest Account, the amount necessary (together with any amounts in the Assessment Area Three Bonds Interest Account and not otherwise previously credited) to pay interest on the Assessment Area Three Bonds subject to redemption on such date; and

SIXTH, to the Rebate Fund if pursuant to the Arbitrage Certificate it is necessary to make a deposit into the Rebate Fund, in which case the Issuer shall direct the Trustee to make such deposit thereto.

Moneys held for the credit of the Assessment Area Three Bonds Revenue Account which are not otherwise required to be deposited pursuant to this Section shall be retained therein and applied on subsequent dates for the purposes and in the priority set forth above.

#### SECTION 4.03      Prepayments; Removal of Special Assessment Liens.

(a) Subject to and in accordance with the Assessment Resolutions, the owner of property subject to the Assessment Area Three Bonds Special Assessments may, at its option, prepay all or a portion of the Assessment Area Three Bonds Special Assessments by paying to the Issuer the amount of such Assessment Area Three Bonds Special Assessments, plus accrued interest to the next succeeding Quarterly Redemption Date (or the second succeeding Quarterly Redemption Date if such prepayment is made within 45 calendar days before a Quarterly Redemption Date). The amount of the Assessment Area Three Bonds Special Assessments so prepaid (excluding the interest portion) shall constitute Assessment Area Three Bond Prepayment Principal, as directed in writing by the Issuer pursuant to the provisions of Section 4.01(g)(ii) of this Sixth Supplemental Indenture. In the event the amount in the Assessment Area Three Bonds Debt Service Reserve Account will exceed the Debt Service Reserve Requirement for the Assessment Area Three Bonds as a result of such prepayment and the resulting redemption in accordance with Section 3.01(b)(i) of this Sixth Supplemental Indenture of Assessment Area Three Bonds, the excess amount shall be transferred from the Debt Service Reserve Account to the Assessment Area Three Bonds Prepayment Subaccount, as a credit against the Assessment Area Three Bond Prepayment Principal otherwise required to be paid by the owner of such lot or parcel, upon written instructions of the Issuer.

(b) Upon receipt of an Assessment Area Three Bond Prepayment as described in paragraph (a) above, subject to satisfaction of the conditions set forth therein, the Issuer shall immediately pay the amount so received to the Trustee, and the Issuer shall take such action as is necessary to reduce, or release and extinguish the related Assessment Area Three Bonds Special Assessments, as the case may be, in accordance with the Assessment Resolutions and as otherwise provided by law. Upon receipt of any such moneys from the Issuer the Trustee shall immediately deposit (i) the Assessment Area Three Bonds Principal Prepayment into the Assessment Area Three Bonds Prepayment Subaccount to be applied in accordance with Section 4.01(g)(ii) of this Sixth Supplemental Indenture to the redemption of Assessment Area Three Bonds in accordance with Section 3.01(b)(i) of this Sixth Supplemental Indenture, and (ii) the interest portion of such Assessment Area Three Bond Prepayment into the Assessment Area Three Bonds Interest Account to be applied in accordance with Section 6.04 of the Master Indenture to pay interest on Assessment Area Three Bonds upon redemption.

(c) In addition to the Assessment Area Three Bond Prepayments described in paragraph (a) above, any landowner or any Person, on behalf of such landowner, may present to the Issuer, Assessment Area Three Bonds purchased in the open market for cancellation and such cancellation of such purchased Assessment Area Three Bonds shall constitute an optional prepayment of the Assessment Area Three Bonds Special Assessments as provided in this paragraph. Except as provided in the next succeeding sentence, such landowner shall receive the benefit of a reduction, in whole or in part, of the lien of the Assessment Area Three Bonds Special Assessments levied by the Issuer against the lands of such landowner equal to principal amount of the principal amount of Assessment Area Three Bonds so surrendered. The landowner may designate the specific lots or parcels to which such reduction shall apply. If the Assessment Area Three Bonds Debt Service Reserve Account would exceed the Debt Service Reserve Requirement for the remaining Outstanding Assessment Area Three Bonds as a result of such optional prepayment described in this paragraph (c), such excess amount shall be applied for the partial extraordinary redemption of the Assessment Area Three Bonds Outstanding after such cancellation pursuant to Section 3.01(b)(i) hereof.

SECTION 4.04      Power to Issue Assessment Area Three Bonds and Create Lien.  
The Issuer is duly authorized under the Act and all applicable laws of the State to issue the Assessment Area Three Bonds, to execute and deliver the Indenture and to pledge the Assessment Area Three Bonds Pledged Revenues for the benefit of the Assessment Area Three Bonds to the extent set forth herein. The Assessment Area Three Bonds Pledged Revenues are not and shall not be subject to any other lien senior to or on a parity with the lien created in favor of the Assessment Area Three Bonds, except for Bonds issued to refund all or a portion of the Assessment Area Three Bonds. The Assessment Area Three Bonds and the provisions of the Indenture are and will be valid and legally enforceable obligations of the Issuer in accordance with their respective terms. The Issuer shall, at all times, to the extent permitted by law, defend, preserve and protect the pledge created by the Indenture and all the rights of the Owners of the Assessment Area Three Bonds under the Indenture against all claims and demands of all persons whomsoever.

SECTION 4.05      Assessment Area Three Project to Conform to Plans and Specifications; Changes. The Issuer will proceed to complete the Assessment Area Three Project in accordance with the plans and specifications therefor, as such plans and specifications may be amended by the Issuer from time to time; provided that prior to any such amendment of the plans and specifications for the Assessment Area Three Project, the Consulting Engineer shall have delivered its certificate approving the proposed amendment to such plans and specifications.

[End of Article IV]

**ARTICLE V**  
**ASSESSMENTS COVENANTS AND PROVISIONS**

SECTION 5.01      Additional Covenant Regarding Assessment Area Three Bonds Special Assessments. In addition, and not in limitation of, the covenants contained elsewhere in this Sixth Supplemental Indenture and in the Master Indenture, the Issuer covenants to comply with the terms of the proceedings heretofore adopted with respect to the Assessment Area Three Bonds Special Assessments, including the assessment methodology reports, prepared by Rizzetta & Company (collectively, the "Assessment Methodology Reports"), and to levy the Assessment Area Three Bonds Special Assessments and any required true up payments as set forth in the Assessment Methodology Reports, in such manner as will generate funds sufficient to pay the principal of and interest on the Assessment Area Three Bonds, when due.

SECTION 5.02      Collection of Assessments. Pursuant to Section 9.04 of the Master Trust Indenture and subject to the Issuer entering into a Property Appraiser and Tax Collector Agreement, Assessment Area Three Bonds Special Assessments levied on platted lots and pledged hereunder to secure the Assessment Area Three Bonds will be collected pursuant to the uniform method for the levy, collection and enforcement of special assessments afforded by Sections 197.3631, 197.3632 and 197.3635, Florida Statutes, as amended, provided, however, that notwithstanding Section 9.04 or Section 9.05 of the Master Indenture, the Issuer may, and shall at the written direction of the Majority Owners, directly collect Assessment Area Three Bonds Special Assessments on any lands as to which there are delinquent Assessment Area Three Bonds Special Assessments and pursue foreclosure pursuant to the provisions of Section 170.10, Florida Statutes, in the same method now or hereafter provided by law for the foreclosure of mortgages on real estate, or pursuant to the provisions of Chapter 173, Florida Statutes, and Sections 190.026 and 170.10, Florida Statutes, or otherwise as provided by law.

SECTION 5.03      Additional Matters Relating to Delinquent Assessments.

(a) Notwithstanding anything herein or in the Master Indenture to the contrary, the following provisions shall apply with respect to the Assessment Area Three Bonds Special Assessments and Assessment Area Three Bonds: If any property shall be offered for sale at a foreclosure sale for the nonpayment of any Assessment Area Three Bonds Special Assessments, and no person or persons shall purchase such property for an amount equal to the full amount due on the Assessment Area Three Bonds Special Assessments (principal, interest, penalties and costs, plus attorneys' fees, if any), the Issuer, after receiving the written consent of the Trustee, acting at the direction of the Majority Owners of the Assessment Area Three Bonds Outstanding, specifying whether the Issuer is to take title to the property in its corporate name or in the name of a special purpose entity, may purchase the property for an amount less than or equal to the balance due on the Assessment Area Three Bonds Special Assessments (principal, interest, penalties and costs, plus attorneys' fees, if any), from any legally available funds of the Issuer or by credit bidding any final foreclosure judgment and the Issuer shall receive in its corporate name or in the name of a special-purpose entity title to the property for the benefit of the Owners of the Assessment Area Three Bonds and the Issuer, in its proportionate share, to the extent that operation and maintenance assessments were also



subject to the foreclosure resulting in such foreclosure sale. The Issuer, either through its own actions, or actions caused to be taken by the Issuer through the Trustee (acting at the written direction of the Majority Owners of the Assessment Area Three Bonds Outstanding and being indemnified to its satisfaction), shall have the power to and shall lease or sell such property, and deposit all the net proceeds of any such lease or sale into the Assessment Area Three Revenue Account (less the proportionate amount the Issuer may be due from the foreclosure of any operation and maintenance assessments). The Issuer, either through its own actions, or actions caused to be taken by the Issuer through the Trustee (acting at the written direction of the Majority Owners of the Assessment Area Three Bonds Outstanding and being indemnified to its satisfaction), agrees that it shall, after being provided assurances satisfactory to it of payment of its fees, costs and expenses for doing so, be required to take the measures provided by law for listing for sale of property acquired by it as trustee for the Owners of the Assessment Area Three Bonds within sixty (60) days after the receipt of the request therefor signed by the Trustee, acting at the written direction of the Majority Owners of the Assessment Area Three Bonds Outstanding. The Issuer may pay costs associated with any actions taken by the Issuer or the Trustee pursuant to this paragraph from any moneys legally available for such purpose held under the Indenture, provided such action does not adversely impact the tax-exempt status of the interest on the Assessment Area Three Bonds.

(b) Notwithstanding anything to the contrary herein or in the Master Indenture, the Issuer acknowledges and agrees that (i) upon failure of any property owner to pay when due any installment of Assessment Area Three Bonds Special Assessments that are billed directly by the Issuer, the entire Assessment Area Three Bonds Special Assessments levied on the property for which such installment of Assessment Area Three Bonds Special Assessments is due and unpaid, with interest and penalties thereon, shall immediately become due and payable as provided by applicable law and, with the written consent of the Trustee, acting at the direction of the Majority Owners of the Assessment Area Three Bonds Outstanding, the Issuer shall promptly, but in any event within one hundred twenty (120) days of the receipt of such consent, cause to be brought the necessary legal proceedings for the foreclosure of liens of the delinquent Assessment Area Three Bonds Special Assessments, including interest and penalties and (ii) unless some alternative resolution to such proceedings is agreed to with the Trustee and the Majority Owners' consent, the foreclosure proceedings shall be prosecuted to a sale and conveyance of the property involved in said proceedings as now provided by law in suits to foreclose mortgages.

(c) For the avoidance of doubt and notwithstanding anything to the contrary herein, the Trustee shall only be required to act under this Section 5.03 to the extent it receives timely written directions upon which it may conclusively rely from the Majority Owners and has been indemnified to its satisfaction.

**SECTION 5.04**      Additional Matters Relating to Assessment Area Three Bonds Special Assessments and Assessment Proceedings. The Issuer covenants and agrees that upon the occurrence and continuance of an Event of Default with respect to the Assessment Area Three Bonds, it will take such actions to enforce the remedial provisions of the Indenture, the provisions for the collection of delinquent Assessment Area Three Bonds Special Assessments

that are directly billed and collected by the Issuer, as well as delinquent direct billed operation and maintenance assessments, and the provisions for the foreclosure of liens of delinquent assessments that are directly billed and collected by the Issuer, as well as delinquent direct billed operation and maintenance assessments, all in a manner consistent with the Master Indenture and this Sixth Supplemental Indenture. All Assessment Area Three Bonds Special Assessments that are billed and collected directly by the Issuer shall be due and payable by the applicable landowner no later than thirty (30) days prior to each Interest Payment Date and shall become delinquent thereafter.

SECTION 5.05      Provisions relating to Bankruptcy or Insolvency of Taxpayers.

(a)      The provisions of this Section 5.05 shall be applicable both before and after the commencement, whether voluntary or involuntary, of any case, proceeding or other action by or against any owner of any tax parcel subject to at least twenty percent (20%) of the Assessment Area Three Bonds Special Assessments pledged to the Assessment Area Three Bonds Outstanding (an "Insolvent Taxpayer") under any existing or future law of any jurisdiction relating to bankruptcy, insolvency, reorganization, assignment for the benefit of creditors, or relief of debtors (a "Proceeding").

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

(i)      the Issuer hereby agrees that it shall seek to secure the written consent of the Trustee, acting at the direction of the Majority Owners of the Assessment Area Three Bonds Outstanding, prior to making any election, giving any consent, commencing any action or filing any motion, claim, obligation, notice or application or in taking any other action or position in any Proceedings or in any action related to a Proceeding that affects, either directly or indirectly, the Assessment Area Three Bonds Special Assessments relating to the Assessment Area Three Bonds Outstanding, the Outstanding Assessment Area Three Bonds or any rights of the Trustee under the Indenture (provided, however, Trustee shall be deemed to have consented, on behalf of the Majority Owners of the Assessment Area Three Bonds Outstanding, to the proposed action if the Issuer does not receive a written response from the Trustee within thirty (30) days following receipt by the Trustee of the written request for consent);

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

(iii) the Issuer hereby agrees that it shall seek the written consent of the Trustee prior to filing and voting in any such Proceeding (provided, however, Trustee shall be deemed to have consented, on behalf of the Majority Owners of the Assessment Area Three Bonds Outstanding, to the proposed action if the Issuer does not receive a written response from the Trustee within thirty (30) days following receipt by the Trustee of the written request for consent);

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

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

(c) Notwithstanding the provisions of the immediately preceding paragraphs, nothing in this Section shall preclude the Issuer from becoming a party to a Proceeding in order to enforce a claim for operation and maintenance Assessments, and the Issuer shall be free to pursue such claim in such manner as it shall deem appropriate in its sole and absolute discretion. Any actions taken by the Issuer in pursuance of its claim for operation and maintenance Assessments in any Proceeding shall not be considered an



action adverse or inconsistent with the Trustee's rights or consents with respect to the Assessment Area Three Bonds Special Assessments relating to the Assessment Area Three Bonds Outstanding whether such claim is pursued by the Issuer or the Trustee; provided, however, that the Issuer shall not oppose any relief sought by the Trustee under the authority granted to the Trustee in clause (b)(iv) above.

(d) Notwithstanding anything herein to the contrary, the Trustee shall only act in connection with a Proceeding upon timely written direction of the Majority Owners, upon which the Trustee may conclusively rely, together with indemnity satisfactory to the Trustee sufficient to cover any fees, costs and expenses (including attorney's fees, costs and expenses) of the Trustee or that may be incurred by the Trustee in connections with such Proceeding. The Trustee shall have no liability for any failure to act with respect to any Proceeding if it does not receive such written direction and indemnity in a sufficiently timely manner in order for the Trustee to meet any deadline, applicable to such Proceeding and the Trustee shall be entitled to all of the rights and protections granted to it under Article XI of the Master Indenture regardless of whether there exists an Event of Default. The Issuer shall notify a Responsible Officer of the Trustee in writing (the "Bankruptcy Notice") within 10 Business Days from the day it obtains knowledge of any Proceeding. In addition to giving notice of the Proceeding in reasonable detail, the Bankruptcy Notice shall also specifically reference this Section 5.05(d). In the event that the Trustee receives any moneys as the result of a Proceeding, the Trustee shall first reimburse any of its outstanding fees and/or the fees, costs and expenses incurred in connection with the Proceedings (including attorney's fees, costs and expenses) prior to otherwise distributing such moneys.

SECTION 5.06      Adjustment of Special Assessments upon Prepayment of Bonds From Proceeds Prior to Completion Funds transferred from the Assessment Area Three Bonds Acquisition and Construction Account for any reason and applied to the redemption of the Assessment Area Three Bonds shall be credited against the Assessment Area Three Bonds Special Assessments in accordance with Section 170.08, Florida Statutes. If the Assessment Area Three Project has been completed in accordance the original description thereof and all residential homesites are developed with infrastructure as contemplated, such credits shall be pro rata to all the assessed lands. If, however, the Assessment Area Three Project has not been completed, such credits shall be allocated to properly apportion the burden of the Assessment Area Three Bonds Special Assessments paid in accordance with the benefits actually received, thus eliminating or reducing the Assessment Area Three Bonds Special Assessments on lands, if any, not fully or proportionately benefiting from the uncompleted portion of the Assessment Area Three Project (the "Revised Assessment Area Three Project"). Before taking action to reallocate the Assessment Area Three Bonds Special Assessments based upon the Revised Assessment Area Three Project, the Consulting Engineer shall provide to the Issuer, Majority Owners and Trustee a certified opinion of the final scope and cost of the Revised Assessment Area Three Project (the "Engineer's Certificate"). The Majority Owners shall have thirty (30) days to review the Engineer's Certificate. In the event that the Majority Owners dispute the Engineer's Certificate, the Issuer and Majority Owners shall use good faith best efforts to resolve such dispute. If the Issuer and Majority Owners are unable to resolve any such dispute, the Issuer and Majority Owners agree to jointly select a third-party engineer and/or assessment

consultant whose decision as to such dispute shall be binding for purposes of reallocating the Assessment Area Three Bonds Special Assessments.

**ARTICLE VI**  
**LIMITATION ON ADDITIONAL BONDS**

**SECTION 6.01**      Limitation on Additional Bonds.

(a) Other than Bonds issued to refund a portion of Outstanding Assessment Area Three Bonds, the issuance of which as determined by the Issuer results in present value debt service savings, the Issuer shall not issue or incur any debt payable in whole or in part from the Assessment Area Three Bonds Pledged Revenues.

(b) The Issuer shall not issue any Bonds or other debt obligations (the "Additional Bonds") secured by Special Assessments on any of the lands subject to the Assessment Area Three Special Assessments until the Assessment Area Three Bonds Special Assessments have been Substantially Absorbed.

(c) The provisions of the preceding Subsection (b) shall not apply to any Bonds or other debt obligations secured by Special Assessments on properties other than the lands subject to the Assessment Area Three Special Assessments. Further, notwithstanding such restriction, the District may issue Bonds secured by Special Assessments on the lands subject to the Assessment Area Three Special Assessments for the health, safety or welfare of the District's residents or for the repair of the District facilities or with the consent of the Majority Owners.

(d) Prior to the delivery of any such Additional Bonds or other debt obligations, the Trustee shall receive a certificate from the District Manager on which it may conclusively rely that all of the applicable conditions set forth above have been met.

**ARTICLE VII**  
**CONCERNING THE TRUSTEE**

SECTION 7.01     Acceptance by Trustee. The Trustee accepts the trusts declared and provided in this Sixth Supplemental Indenture and agrees to perform such trusts upon the terms and conditions set forth in the Master Indenture as modified by this Sixth Supplemental Indenture.

SECTION 7.02     Limitation of Trustee's Responsibility. The Trustee shall not be responsible in any manner for the due execution of this Sixth Supplemental Indenture by the Issuer or for the recitals contained herein, all of which are made solely by the Issuer.

SECTION 7.03     Trustee's Duties. Nothing contained herein shall limit the rights, benefits, privileges, protection and entitlements inuring to the Trustee under the Master Indenture, including, particularly, Article XI thereof, all of which shall apply to the actions of the Trustee under this Sixth Supplemental Indenture.

SECTION 7.04     Brokerage Confirmations. The Issuer acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Issuer the right to receive individual confirmations of security transactions at no additional cost, as they occur, the Issuer specifically waives receipt of such confirmations to the extent permitted by law. The Trustee will furnish the Issuer periodic cash transaction statements that include detail for all investment transactions made by the Trustee hereunder.

**ARTICLE VIII**  
**MISCELLANEOUS PROVISIONS**

SECTION 8.01 Interpretation of Supplemental Indenture. This Sixth Supplemental Indenture amends and supplements the Master Indenture with respect to the Assessment Area Three Bonds, and all of the provisions of the Master Indenture, to the extent not inconsistent herewith, are incorporated in this Sixth Supplemental Indenture by reference. To the maximum extent possible, the Master Indenture and this Sixth Supplemental Indenture shall be read and construed as one document. To the extent that any of the terms of the Master Indenture conflict with this Sixth Supplemental Indenture, the terms of this Sixth Supplemental Indenture shall control.

SECTION 8.02 Continuing Disclosure Agreement Contemporaneously with the execution and delivery hereof, the Issuer has executed and delivered a Continuing Disclosure Agreement in order to comply with the requirements of Rule 15c2-12 promulgated under the Securities and Exchange Act of 1934. The Issuer covenants and agrees to comply with the provisions of such Continuing Disclosure Agreement; however, as set forth therein, failure to so comply shall not constitute an Event of Default hereunder, but, instead shall be enforceable by mandamus, injunction or any other means of specific performance.

SECTION 8.03 Assignment of Collateral Assignment. The Issuer may assign its rights under the Collateral Assignment to the Trustee for the benefit of the Owners, from time to time, of the Assessment Area Three Bonds. Such assignment shall not be considered an assumption by the Trustee of any obligations thereunder.

SECTION 8.04 Amendments. Any amendments to this Sixth Supplemental Indenture shall be made pursuant to the provisions for amendment contained in the Master Indenture.

SECTION 8.05 Counterparts. This Sixth Supplemental Indenture may be executed in any number of counterparts, each of which when so executed and delivered shall be an original; but such counterparts shall together constitute but one and the same instrument.

SECTION 8.06 Appendices and Exhibits. Any and all schedules, appendices or exhibits referred to in and attached to this Sixth Supplemental Indenture are hereby incorporated herein and made a part of this Sixth Supplemental Indenture for all purposes.

SECTION 8.07 Payment Dates. In any case in which an Interest Payment Date, redemption date or the maturity date of the Assessment Area Three Bonds or the date fixed for the redemption of any Assessment Area Three Bonds shall be other than a Business Day, then payment of interest, principal or Redemption Price need not be made on such date but may be made on the next succeeding Business Day, with the same force and effect as if made on the due date, and no interest on such payment shall accrue for the period after such due date if payment is made on such next succeeding Business Day.

SECTION 8.08      No Rights Conferred on Others. Nothing herein contained shall confer any right upon any Person other than the parties hereto and the Holders of the Assessment Area Three Bonds.

[End of Article VIII]

IN WITNESS WHEREOF, Veranda Community Development District II has caused this Sixth Supplemental Trust Indenture to be executed by the Chair of its Board of Supervisors and its corporate seal to be hereunto affixed and attested by the Secretary or Assistant Secretary of its Board of Supervisors and U.S. Bank Trust Company, N.A. has caused this Sixth Supplemental Trust Indenture to be executed by one of its Vice Presidents, all as of the day and year first above written.

VERANDA COMMUNITY  
DEVELOPMENT DISTRICT II

[SEAL]

Attest:



Assistant Secretary, Board of Supervisors

By:



Vice Chair, Board of Supervisors

U.S. BANK TRUST COMPANY, N.A., as  
Trustee, Paying Agent and Registrar

By:

Vice President

**EXHIBIT A**

**DESCRIPTION OF ASSESSMENT AREA THREE**

[Insert legal description for Veranda Preserve East.]



EXHIBIT B

[FORM OF ASSESSMENT AREA THREE BOND]

RA-01

\$ \_\_\_\_\_

UNITED STATES OF AMERICA

STATE OF FLORIDA

VERANDA COMMUNITY DEVELOPMENT DISTRICT II

(St. Lucie County, Florida)

SPECIAL ASSESSMENT REVENUE BOND, SERIES 2023

(ASSESSMENT AREA THREE - VERANDA PRESERVE EAST PROJECT)

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Dated Date</u>	<u>CUSIP</u>
_____%	May 1, 20__	November __, 2023	_____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: \_\_\_\_\_ MILLION \_\_\_\_\_ HUNDRED \_\_\_\_\_ THOUSAND  
DOLLARS

KNOW ALL PERSONS BY THESE PRESENTS that Veranda Community Development District II (the "Issuer"), for value received, hereby promises to pay to the registered owner shown above or registered assigns, on the date specified above, from the sources hereinafter mentioned, upon presentation and surrender hereof (except when this Bond is in book-entry form, in which case presentation shall not be required) at the designated corporate trust office of U.S. Bank Trust Company, N.A. located in Orlando, Florida, as paying agent (said bank and/or any bank or trust company to become successor paying agent being herein called the "Paying Agent"), the principal amount set forth above with interest thereon, at the rate per annum set forth above (subject to adjustment as described herein), payable on the first day of May and November of each year, commencing May 1, 2024. Principal of this Bond is payable at the designated corporate trust office of U.S. Bank Trust Company, N.A. located in Orlando, Florida in lawful money of the United States of America. Interest on this Bond is payable by check or draft of the Paying Agent made payable to the registered owner and mailed to the address of the registered owner as such name and address shall appear on the registry books of the Issuer maintained by U.S. Bank Trust Company, N.A., as Registrar (said Registrar and any successor Registrar being herein called the "Registrar") at the close of business on the fifteenth day of the calendar month preceding each interest payment date or the date on which the principal of this Bond is to be paid (the "Record Date"). Such interest shall be payable from the most recent interest payment date next preceding the date of authentication hereof to which

interest has been paid, unless the date of authentication hereof is a May 1 or November 1 to which interest has been paid, in which case from such date of authentication, or unless the date hereof is prior to May 1, 2024, in which case from November \_\_, 2023, or unless the date of authentication hereof is between a Record Date and the next succeeding interest payment date, in which case from such interest payment date. Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the registered owner on such Record Date and may be paid to the person in whose name this Bond is registered at the close of business on a Special Record Date for the payment of such defaulted interest to be fixed by the Paying Agent, notice whereof shall be given to Bondholders of record as of the fifth (5th) day prior to such mailing, at their registered addresses, not less than ten (10) days prior to such Special Record Date, or may be paid, at any time in any other lawful manner, as more fully provided in the Indenture (defined below). The foregoing notwithstanding, any Owner of Bonds in an aggregate principal amount of at least \$1,000,000 shall be entitled to have interest paid by wire transfer to such Owner to the bank account number on file with the Paying Agent, upon requesting the same in a writing received by the Paying Agent at least fifteen (15) days prior to the relevant Interest Payment Date, which writing shall specify the bank, which shall be a bank within the United States, and bank account number to which interest payments are to be wired. Any such request for interest payments by wire transfer shall remain in effect until rescinded or changed, in a writing delivered by the Owner to the Paying Agent, and any such rescission or change of wire transfer instructions must be received by the Paying Agent at least fifteen (15) days prior to the relevant Interest Payment Date. Notwithstanding the foregoing, while this Bond is held in a book-entry system of registration, the payments hereon shall be made in accordance with the procedures of such book-entry system.

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

This Bond is one of an authorized series of Bonds of Veranda Community Development District II (the "Issuer"), a community development district duly created, organized and existing under Chapter 190, Florida Statutes (the Uniform Community Development District Act of 1980), as amended (the "Act") designated as "Veranda Community Development District II (St. Lucie County, Florida) Special Assessment Revenue and Refunding Bonds, Series 2023 (Assessment Area Three - Veranda Preserve East Project) (the "Assessment Area Three Bonds" or the "Bonds"), in the aggregate principal amount of \$\_\_\_\_\_ of like date, tenor and effect, except as to number. The Assessment Area Three Bonds are being issued under authority of the laws and Constitution of the State of Florida, including particularly the Act. Proceeds of the

Assessment Area Three Bonds shall be used (i) to currently refund a portion of the District's outstanding Special Assessment Bonds, Series 2018B (the "Refunded Series 2018B Bonds"), (ii) to pay a portion of the costs of the Assessment Area Three Project, (iii) to pay interest on the Bonds through May 1, 2024, (iv) to fund the Debt Service Reserve Requirement for the Assessment Area Three Bonds and (v) to pay a portion of the costs of issuance of the Assessment Area Three Bonds. The Assessment Area Three Bonds shall be issued as fully registered Bonds in authorized denominations, as set forth in the Indenture. The Assessment Area Three Bonds are issued under, and are secured and governed by, a Master Trust Indenture dated as of December 1, 2018 (the "Master Indenture"), by and between the Issuer and the Trustee and a Sixth Supplemental Trust Indenture dated as of November 1, 2023 (the "Sixth Supplemental Indenture"), by and between the Issuer and the Trustee (the Master Indenture and the Sixth Supplemental Indenture together are referred to herein as the "Indenture"), executed counterparts of which are on file at the designated corporate trust office of the Trustee in Orlando, Florida.

Reference is hereby made to the Indenture for the provisions, among others, with respect to the custody and application of the proceeds of the Assessment Area Three Bonds issued under the Indenture, the operation and application of the Assessment Area Three Bonds Debt Service Reserve Account and other Funds and Accounts (each as defined in the Indenture) charged with and pledged to the payment of the principal of and interest on the Assessment Area Three Bonds, the levy, and the evidencing and certifying for collection, of Assessment Area Three Bonds Special Assessments, the nature and extent of the security for the Assessment Area Three Bonds, the terms and conditions on which the Assessment Area Three Bonds are issued and on which refunding Bonds payable from Assessment Area Three Bonds Pledged Revenues may be issued on a parity herewith, the rights, duties and obligations of the Issuer and of the Trustee under the Indenture, the conditions under which such Indenture may be amended without the consent of the registered owners of Bonds, the conditions under which such Indenture may be amended with the consent of the registered owners of a majority in aggregate principal amount of the Assessment Area Three Bonds outstanding, and as to other rights and remedies of the registered owners of the Assessment Area Three Bonds.

The owner of this Bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Indenture or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture.

It is expressly agreed by the owner of this Bond that such owner shall never have the right to require or compel the exercise of the ad valorem taxing power of the Issuer, the County, the State, or any other political subdivision thereof, or taxation in any form of any real or personal property of the Issuer, the County, the State or any other political subdivision thereof, for the payment of the principal of, premium, if any, and interest on this Bond or the making of any other sinking fund and other payments provided for in the Indenture, except for Assessment Area Three Bonds Special Assessments to be assessed and levied by the Issuer as set forth in the Indenture.

By the acceptance of this Bond, the owner hereof assents to all the provisions of the Indenture.

This Bond is payable from and secured by Assessment Area Three Bonds Pledged Revenues, as such term is defined in the Indenture, all in the manner provided in the Indenture. The Indenture provides for the levy, and the evidencing and certifying, of non ad valorem assessments in the form of Assessment Area Three Bonds Special Assessments to secure and pay the Assessment Area Three Bonds.

The Assessment Area Three Bonds are subject to redemption prior to maturity in the amounts, at the times and in the manner provided below. All payments of the redemption price of the Assessment Area Three Bonds shall be made on the dates specified below. If less than all the Assessment Area Three Bonds of a maturity are to be redeemed, the Assessment Area Three Bonds or portions of the Assessment Area Three Bonds to be redeemed shall be selected as provided in the Indenture.

#### Optional Redemption

The Assessment Area Three Bonds may, at the option of the Issuer, be called for redemption prior to maturity in whole or in part on any date on or after May 1, 20\_\_ (the maturities to be selected by the Issuer and if less than all of a maturity, the Assessment Area Three Bonds to be selected by a lot), at a Redemption Price of 100% of their principal amount plus accrued interest from the most recent Interest Payment Date to the redemption date.

#### Extraordinary Mandatory Redemption

The Assessment Area Three Bonds are subject to extraordinary mandatory redemption prior to maturity by the Issuer in whole, on any date, or in part, on any Quarterly Redemption Date, at an extraordinary mandatory redemption price equal to 100% of the principal amount of the Assessment Area Three Bonds to be redeemed, plus interest accrued to the redemption date, as follows:

- (i) from Assessment Area Three Bond Prepayment Principal deposited into the Assessment Area Three Bonds Prepayment Subaccount following the prepayment in whole or in part of Assessment Area Three Bonds Special Assessments in accordance with the provisions of Section 4.03(a) of the Sixth Supplemental Indenture, including excess moneys transferred from the Assessment Area Three Bonds Debt Service Reserve Account to the Assessment Area Three Bonds Prepayment Subaccount resulting from such prepayment pursuant to Section 4.01(f)(ii) of the Sixth Supplemental Indenture.

- (ii) from moneys, if any, on deposit in the Assessment Area Three Bonds Accounts and Subaccounts in the Assessment Area Three Bonds Funds and Accounts (other than the Rebate Fund) sufficient to pay and redeem all Assessment Area Three Bonds Outstanding Bonds and accrued interest thereon to the redemption date or dates in addition to all amounts owed to Persons under the Master Indenture.

- (iii) on or after the Completion Date of the Assessment Area Three Project, by application of moneys remaining in the Assessment Area Three Bonds Acquisition and Construction Account not reserved by the Issuer for the payment

of any remaining part of the Cost of the Assessment Area Three Project (as specified in a written certificate from the Issuer to the Trustee specifying the amount to be reserved), all of which shall be transferred to the Assessment Area Three Bonds General Subaccount and credited toward extinguishment of the Assessment Area Three Bonds Special Assessments in the manner provided by law and the Assessment Resolutions and applied toward the redemption of the Assessment Area Three Bonds, in accordance with the manner it has credited such excess moneys toward extinguishment of Assessment Area Three Bonds Special Assessments, which the Issuer shall describe to the Trustee in writing.

(iv) from amounts on deposit in the Assessment Area Three Bonds Debt Service Reserve Account in excess of the Debt Service Reserve Requirement for the Assessment Area Three Bonds and transferred to the Assessment Area Three Bonds General Subaccount in accordance with Section 6.05 of the Master Indenture and Section 4.01(f)(i) of the Sixth Supplemental Indenture to be used for the extraordinary mandatory redemption of the Assessment Area Three Bonds.

Mandatory Sinking Fund Redemption.

(i) The Assessment Area Three Bonds maturing on May 1, 20\_\_, are subject to mandatory redemption in part by the District by lot prior to their scheduled maturity from moneys in the Assessment Area Three Sinking Fund Account established under the Indenture in satisfaction of applicable Sinking Fund Installments at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

Year (May 1)	Principal Amount \$
-----------------	---------------------------

\*

\* Maturity.

(ii) The Assessment Area Three Bonds maturing on May 1, 20\_\_, are subject to mandatory redemption in part by the District by lot prior to their scheduled maturity from moneys in the Assessment Area Three Sinking Fund Account established under the Indenture in satisfaction of applicable Sinking Fund Installments at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

Year	Principal
<u>(May 1)</u>	<u>Amount</u>
	\$

\*

---

\* Maturity.

(iii) The Assessment Area Three Bonds maturing on May 1, 20\_\_, are subject to mandatory redemption in part by the District by lot prior to their scheduled maturity from moneys in the Assessment Area Three Sinking Fund Account established under the Indenture in satisfaction of applicable Sinking Fund Installments at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

Year	Principal
<u>(May 1)</u>	<u>Amount</u>
	\$

\*

---

\* Maturity.

(iv) The Assessment Area Three Bonds maturing on May 1, 20\_\_, are subject to mandatory redemption in part by the District by lot prior to their scheduled maturity from moneys in the Assessment Area Three Sinking Fund Account established under the Indenture in satisfaction of applicable Sinking Fund Installments at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

Year	Principal
<u>(May 1)</u>	<u>Amount</u>
	\$

\*

---

\* Maturity.

(v) Upon any redemption of Assessment Area Three Bonds other in accordance with scheduled Sinking Fund Installments, the District shall cause to be recalculated and delivered to the Trustee revised Sinking Fund Installments recalculated so as to amortize the Outstanding



principal of the Assessment Area Three Bonds in substantially equal annual installments of principal and interest (subject to rounding to Authorized Denominations of principal) over the remaining term of the Assessment Area Three Bonds.

#### Notice of Redemption

The Trustee shall cause notice of redemption to be mailed at least thirty (30) but not more than sixty (60) days prior to the date of redemption to all registered owners of Bonds to be redeemed (as such owners appear on the books of the Registrar on the fifth (5th) day prior to such mailing) and to certain additional parties as set forth in the Indenture; provided, however, that failure to mail any such notice or any defect in the notice or the mailing thereof shall not affect the validity of the redemption of the Bonds for which such notice was duly mailed in accordance with the Indenture. If less than all of the Bonds shall be called for redemption, the notice of redemption shall specify the Bonds to be redeemed. On the redemption date, the Bonds called for redemption will be payable at the designated corporate trust office of the Paying Agent and on such date interest shall cease to accrue, such Bonds shall cease to be entitled to any benefit under the Indenture and such Bonds shall not be deemed to be outstanding under the provisions of the Indenture and the owners of such Bonds shall have no rights in respect thereof except to receive payment of the redemption price thereof, provided that if at the time of mailing of notice of redemption or purchase, the Issuer shall not have deposited with the Trustee or Paying Agent moneys sufficient to redeem or purchase all the Bonds called for redemption or purchase, such notice shall state that the redemption is conditional and is subject to the deposit of the redemption or purchase moneys with the Trustee or Paying Agent, as the case may be, not later than the opening of business on the redemption or purchase date, and such notice shall be of no effect unless such moneys are so deposited.

This Bond shall be issued initially pursuant to a book-entry-only system administered by The Depository Trust Company, New York, New York ("DTC"), which shall act as securities depository for the Bonds, with no physical distribution of Bonds to be made. Any provisions of the Indenture or this Bond requiring physical delivery of Bonds shall, under the book-entry-only system, be deemed to be satisfied by a notation on the records maintained by DTC of ownership interests 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"). DTC Participants and Indirect Participants will be responsible for maintaining records with respect to the beneficial ownership interests of individual purchasers of the Bonds ("Beneficial Owners").

This Bond shall initially be issued in the name of Cede & Co. as nominee for DTC, and so long as this Bond is held in book-entry-only form Cede & Co. shall be considered the registered owner for all purposes hereof, including the payment of the principal of and interest on this Bond. Payment to DTC Participants shall be the responsibility of DTC. Payments by DTC Participants to Indirect Participants, and by DTC Participants and Indirect Participants to individual Beneficial Owners shall be the responsibility of DTC Participants and Indirect Participants and not of DTC, the Issuer or the Trustee.

The Issuer shall keep books for the registration of the Bonds at the designated corporate trust office of the Registrar in Orlando, Florida. Except when registration of the Bonds is being

maintained pursuant to a book-entry-only system, the Bonds may be transferred or exchanged by the registered owner thereof in person or by his attorney duly authorized in writing only upon the books of the Issuer kept by the Registrar and only upon surrender thereof together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or his duly authorized attorney. In all cases in which the privilege of transferring or exchanging Bonds is exercised, the Issuer shall execute and the Trustee or such other authenticating agent as may be appointed by the Trustee under the Indenture shall authenticate and deliver a new Bond or Bonds in authorized form and in like aggregate principal amount in accordance with the provisions of the Indenture. There shall be no charge for any such exchange or transfer of Bonds, but the Issuer may require payment of a sum sufficient to pay any tax, fee or other governmental charge imposed. Neither the Issuer nor the Registrar shall be required (a) to transfer or exchange Bonds for a period of 15 days next preceding any selection of Bonds to be redeemed or thereafter until after the mailing of any notice of redemption; or (b) to transfer or exchange any Bond called for redemption in whole or in part.

The Issuer, the Trustee, the Paying Agent and the Registrar may deem and treat the person in whose name any Bond shall be registered upon the books kept by the Registrar as the absolute owner thereof (whether or not such Bond shall be overdue and notwithstanding any notation of ownership or other writing thereon made by anyone other than the Issuer, the Trustee, the Paying Agent or the Registrar) for the purpose of receiving payment of or on account of the principal of, premium, if any, and interest on such Bond as the same becomes due, and for all other purposes. All such payments so made to any such registered owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the Issuer, the Trustee, the Paying Agent, nor the Registrar shall be affected by any notice to the contrary.

It is hereby certified and recited that all acts, conditions and things required to exist, to happen, and to be performed, precedent to and in the issuance of this Bond exist, have happened and have been performed in regular and due form and time as required by the laws and Constitution of the State of Florida applicable thereto, including particularly the Act, and that the issuance of this Bond, and of the issue of the Bonds of which this Bond is one, is in full compliance with all constitutional and statutory limitations or provisions.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Indenture until it shall have been authenticated by execution of the Trustee, or such other authenticating agent as may be appointed by the Trustee under the Indenture, of the certificate of authentication endorsed hereon.



IN WITNESS WHEREOF, Veranda Community Development District II has caused this Bond to be signed by the manual signature of the Chairman of its Board of Supervisors and a facsimile of its seal to be imprinted hereon, and attested by the manual signature of the Secretary of its Board of Supervisors, all as of the date hereof.

VERANDA COMMUNITY  
DEVELOPMENT DISTRICT II

By:   
Vice Chairman, Board of Supervisors

(SEAL)

Attest:

By:   
Secretary, Board of Supervisors

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds delivered pursuant to the within mentioned Indenture.

Date of Authentication: \_\_\_\_\_, 20\_\_

U.S. Bank Trust Company, N.A., as Trustee

By: \_\_\_\_\_  
Authorized Officer

# STATEMENT OF VALIDATION

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 St. Lucie County, Florida, rendered on the 17<sup>h</sup> day of September, 2018.

VERANDA COMMUNITY DEVELOPMENT  
DISTRICT II

  
Vice Chairman

## ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of the within Bond, shall be construed as though they were written out in full according to applicable laws or regulations.

TEN COM as tenants in common  
TEN ENT as tenants by the entireties  
JT TEN as joint tenants with the right of survivorship and not as tenants in common

UNIFORM GIFT MIN ACT - \_\_\_\_\_ Custodian  
(Cust) (Minor)  
under Uniform Gifts to Minors Act  
(State)

Additional abbreviations may also be used though not in the above list.

\*\*\*\*\*

## ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto \_\_\_\_\_ the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints \_\_\_\_\_, attorney to transfer the said Bond on the books of the Issuer, with full power of substitution in the premises.

Dated:

Social Security Number or  
Employer Identification  
Number of Transferee:

Signature guaranteed:

NOTICE: The assignor's signature to this Assignment must correspond with the name as it appears on the face of the within Bond in every particular without alteration or any change whatever.

**EXHIBIT C**  
**FORM OF REQUISITION**

VERANDA COMMUNITY DEVELOPMENT DISTRICT II  
SPECIAL ASSESSMENT REVENUE AND REFUNDING BONDS, SERIES 2023  
(ASSESSMENT AREA THREE - VERANDA PRESERVE EAST PROJECT)

The undersigned, a Responsible Officer of Veranda Community Development District II (the "Issuer") hereby submits the following requisition for disbursement under and pursuant to the terms of the Master Trust Indenture from the Issuer to U.S. Bank Trust Company, N.A., as trustee (the "Trustee"), dated as of December 1, 2018, as supplemented by a Sixth Supplemental Trust Indenture, dated as of November 1, 2023 (collectively, the "Indenture"; all capitalized terms used herein shall have the meaning ascribed to such terms in the Indenture):

- (a) Requisition Number:
- (b) Name of Payee:
- (c) Amount Payable:
- (d) Purpose for which paid or incurred (refer also to specific contract if amount is due and payable pursuant to a contract involving progress payments, or, state Costs of issuance, if applicable):
- (e) Fund or Account from which disbursement to be made:

\$\_\_\_\_\_ from the Assessment Area Three Bonds Acquisition and Construction Account.

\$\_\_\_\_\_ from the 2023 AA3 Cost of Issuance Account.

The undersigned hereby certifies that:

- 1. ☐ obligations in the stated amount set forth above have been incurred by the Issuer,  
or  
☐ this requisition is for Costs of Issuance that have not previously been paid;
- 2. each disbursement set forth above is a proper charge against the Assessment Area Three Bonds Acquisition and Construction Fund or the 2023 AA3 Cost of Issuance Account;
- 3. each disbursement set forth above was incurred in connection with the acquisition and/or construction of the Project; and
- 4. each disbursement represents a Cost of the Project which has not previously been paid.

The undersigned hereby further certifies that there has not been filed with or served upon the Issuer notice of any lien, right to lien, or attachment upon, or claim affecting the right to receive payment of, any of the moneys payable to the Payee set forth above, which has not been released or will not be released simultaneously with the payment hereof.

The undersigned hereby further certifies that such requisition contains no item representing payment on account of any retained percentage which the Issuer is at the date of such certificate entitled to retain.

Attached hereto are originals of the invoice(s) from the vendor of the property acquired or the services rendered with respect to which disbursement is hereby requested.

VERANDA COMMUNITY  
DEVELOPMENT DISTRICT II

By:   
Responsible Officer

CONSULTING ENGINEER'S APPROVAL FOR  
NON-COST OF ISSUANCE REQUESTS ONLY

If this requisition is for a disbursement from other than Costs of issuance, the undersigned Consulting Engineer hereby certifies that this disbursement is for a Cost of the Project and is consistent with: (i) the applicable acquisition or construction contract; (ii) the plans and specifications for the portion of the Assessment Area Three Project with respect to which such disbursement is being made; and (iii) the report of the Consulting Engineer, as such report shall have been amended or modified on the date hereof.

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

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**SEVENTH SUPPLEMENTAL TRUST INDENTURE**

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**BETWEEN**

**VERANDA COMMUNITY DEVELOPMENT DISTRICT II**

**AND**

**U.S. BANK TRUST COMPANY, N.A.  
AS TRUSTEE**

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**Dated as of November 1, 2023**

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**Authorizing and Securing**

**VERANDA COMMUNITY DEVELOPMENT DISTRICT II  
(St. Lucie County, Florida)**

**\$**

**SPECIAL ASSESSMENT REVENUE AND REFUNDING BONDS  
SERIES 2023 (ASSESSMENT AREA FIVE - PHASE 2 – VERANDA ESTATES  
PROJECT)**

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THIS SEVENTH SUPPLEMENTAL TRUST INDENTURE (the "Seventh Supplemental Indenture"), dated as of November 1, 2023, between VERANDA COMMUNITY DEVELOPMENT DISTRICT II (the "Issuer"), a local unit of special-purpose government organized and existing under the laws of the State of Florida, and U.S. BANK TRUST COMPANY, N.A., a national banking association duly organized and existing under the laws of the United States of America (said banking association and any bank or trust company becoming successor trustee under this Seventh Supplemental Indenture being hereinafter referred to as the "Trustee");

W I T N E S S E T H:

WHEREAS, the Issuer is a local unit of special-purpose government duly organized and existing under the provisions of the Uniform Community Development District Act of 1980, Chapter 190, *Florida Statutes*, as amended (the "Act"), by Ordinance 2018-30 enacted by the City of Port St. Lucie County, Florida which became effective on July 9, 2018, for the purpose, among other things, of financing and managing the acquisition and construction, maintenance, and operation of public infrastructure within and without the boundaries of the premises to be governed by the Issuer; and

WHEREAS, pursuant to Resolution No. 2018-32 adopted by the Board of Supervisors of the Issuer on July 17, 2018 (the "Original Resolution"), the Issuer has authorized the issuance of its not exceeding \$75,000,000 Veranda Community Development District II Special Assessment Revenue Bonds, in one or more Series (the "Bonds") and has entered into a Master Trust Indenture, dated as of December 1, 2018, between the Issuer and the Trustee (the "Master Indenture") to secure the issuance of the Bonds; and

WHEREAS, the Bonds were validated by the Circuit Court of the Nineteenth Judicial Circuit of the State of Florida in and for St. Lucie County, Florida in a Final Judgment rendered on September 17, 2018, and the appeal period from such final judgment has expired with no appeal being taken; and

WHEREAS, pursuant to the Original Resolution as supplemented by Resolution 2019-02 adopted by the Board of the Issuer on October 23, 2018 (the "2018 Authorizing Resolution") and the Master Indenture as supplemented by a First Supplemental Trust Indenture dated December 1, 2018, the Issuer previously issued its \$7,405,000 Veranda Community Development District II (St. Lucie County, Florida) Special Assessment Revenue Bonds, Series 2018A (Assessment Area One - Gardens East Project) (the "Assessment Area One Bonds"), as a Series of Bonds under the Master Indenture; and

WHEREAS, pursuant to the 2018 Authorizing Resolution and the Master Indenture, as supplemented by a Second Supplemental Trust Indenture dated December 1, 2018, the Issuer previously issued its \$7,045,000 Veranda Community Development District II (St. Lucie County, Florida) Special Assessment Revenue Bonds, Series 2018A (Assessment Area Two - Preserve West Project) (the "Assessment Area Two Bonds"), as a Series of Bonds under the Master Indenture; and

WHEREAS, pursuant to the 2018 Authorizing Resolution and the Master Indenture, as supplemented by a Third Supplemental Trust Indenture dated December 1, 2018 (the “Third Supplemental Indenture”), the Issuer previously issued its \$6,910,000 initial principal amount of Veranda Community Development District II (St. Lucie County, Florida) Special Assessment Revenue Bonds, Series 2018B (Assessment Areas Three, Four and Five) (the “Series 2018B Bonds”) as a Series of Bonds under the Master Indenture; and

WHEREAS, pursuant to the Original Resolution as supplemented by Resolution 2021-04 adopted by the Board of the Issuer on February 19, 2021 (the “2021 Authorizing Resolution”) and the Master Indenture as supplemented by a Fourth Supplemental Trust Indenture dated March 1, 2021 the Issuer previously issued its \$8,090,000 Veranda Community Development District II (St. Lucie County, Florida) Special Assessment Revenue Bonds, Series 2021 (Assessment Area Four – Veranda Oaks Project) (the “2021 Assessment Area Four Bonds”), as a Series of Bonds under the Master Indenture; and

WHEREAS, pursuant to the Original Resolution as supplemented by the 2021 Authorizing Resolution and the Master Indenture as supplemented by a Fifth Supplemental Trust Indenture dated March 1, 2021, the Issuer previously issued its \$5,000,000 Veranda Community Development District II (St. Lucie County, Florida) Special Assessment Revenue Bonds, Series 2021 (Assessment Area Five – Phase 1 - Veranda Estates Project) (the “2021 Assessment Area Five Bonds”), as a Series of Bonds under the Master Indenture; and

WHEREAS, pursuant to the Original Resolution as supplemented by Resolution 2023-\_\_ adopted by the Board of the Issuer on October \_\_, 2023 (collectively, the “2023 Authorizing Resolution”) and the Master Indenture, the Issuer has authorized the issuance, sale and delivery of its \$\_\_\_\_\_ Veranda Community Development District II (St. Lucie County, Florida) Special Assessment Revenue and Refunding Bonds, Series 2023 (Assessment Area Five - Phase 2 – Veranda Estates Project) (the “Assessment Area Five - Phase 2 Bonds”), as a Series of Bonds under the Master Indenture and authorized the execution and delivery of this Seventh Supplemental Indenture to secure the issuance of the Assessment Area Five - Phase 2 Bonds and to set forth the terms of the Assessment Area Five - Phase 2 Bonds; and

WHEREAS, the Board of Supervisors of the Issuer has duly adopted the Assessment Resolutions (as hereinafter defined) pursuant to Sections 170.03, 170.07 and 170.08, Florida Statutes, defining assessable property to be benefited by the Assessment Area Five - Phase 2 Project (hereinafter defined) and determining the Cost of the Assessment Area Five - Phase 2 Project to be financed by the Assessment Area Five - Phase 2 Bonds. The Assessment Resolutions also address the manner in which the Assessment Area Five - Phase 2 Bonds Special Assessments (hereinafter defined) shall be levied against property benefited by Assessment Area Five - Phase 2 Project, direct the preparation of an assessment roll, call for a public hearing of the Issuer at which owners of property to be subject to the Assessment Area Five - Phase 2 Bonds Special Assessments may be heard as to the propriety and advisability of undertaking the Assessment Area Five - Phase 2 Project, as to the cost thereof, the manner of payment therefor, and the amount to be assessed against each property subject to the debt assessments, and states the intent of the Issuer to issue the Assessment Area Five - Phase 2 Bonds to finance the costs of the acquisition and construction of all or a portion of the Assessment Area Five - Phase 2 Project and the Board of Supervisors of the Issuer has adopted resolutions, following public hearings

conducted in accordance with the Act, to fix and establish the debt assessments, including, but not limited to the Assessment Area Five - Phase 2 Bonds Special Assessments, and the property upon which such debt assessments will be levied; and

WHEREAS, the Issuer will apply the proceeds of the Assessment Area Five - Phase 2 Bonds (i) to currently refund a portion of the outstanding Series 2018B Bonds (the "Refunded Series 2018B Bonds"), (ii) to finance a portion of the Cost of acquisition, construction, installation and equipping of the Assessment Area Five - Phase 2 Project; (iii) to pay interest on the Assessment Area Five - Phase 2 Bonds through May 1, 2024, (iv) to pay certain costs associated with the issuance of the Assessment Area Five - Phase 2 Bonds; and (v) to fund the Assessment Area Five - Phase 2 Bonds Debt Service Reserve Account as herein provided; and

WHEREAS, the execution and delivery of the Assessment Area Five - Phase 2 Bonds and of this Seventh Supplemental Indenture have been duly authorized by the Board of the Issuer and all things necessary to make the Assessment Area Five - Phase 2 Bonds, when executed by the Issuer and authenticated by the Trustee, valid and binding legal obligations of the Issuer and to make this Seventh Supplemental Indenture a valid and binding agreement and, together with the Master Indenture (the Master Indenture, as supplemented by this Seventh Supplemental Indenture, the "Indenture"), a valid and binding lien on the Assessment Area Five - Phase 2 Bonds Pledged Revenues (as hereinafter defined) have been done.

NOW, THEREFORE, THIS SEVENTH SUPPLEMENTAL INDENTURE WITNESSETH, that to provide for the issuance of the Assessment Area Five - Phase 2 Bonds, the security and payment of the principal or Redemption Price thereof (as the case may be) and interest thereon, the rights of the Bondholders and the performance and observance of all of the covenants contained herein and in said Assessment Area Five - Phase 2 Bonds, and for and in consideration of the mutual covenants herein contained and of the purchase and acceptance of the Assessment Area Five - Phase 2 Bonds by the Owners thereof, from time to time, and of the acceptance by the Trustee of the trusts hereby created, and intending to be legally bound hereby, the Issuer does hereby assign, transfer, set over and pledge to U.S. Bank Trust Company, N.A., as Trustee, its successors in trust and its assigns forever, and grants a lien on all of the right, title and interest of the Issuer in and to the Assessment Area Five - Phase 2 Bonds Pledged Revenues (hereinafter defined) as security for the payment of the principal, redemption or purchase price of (as the case may be) and interest on the Assessment Area Five - Phase 2 Bonds issued hereunder and any Bonds issued on a parity with the Assessment Area Five - Phase 2 Bonds, all in the manner hereinafter provided, and the Issuer further hereby agrees with and covenants unto the Trustee as follows:

TO HAVE AND TO HOLD the same and any other revenues, property, contracts or contract rights, accounts receivable, chattel paper, instruments, general intangibles or other rights and the proceeds thereof, which may, by delivery, assignment or otherwise, be subject to the lien created by the Indenture.

IN TRUST NEVERTHELESS, for the equal and ratable benefit and security of all present and future Owners of the Assessment Area Five - Phase 2 Bonds issued and to be issued under this Seventh Supplemental Indenture, without preference, priority or distinction as to lien or otherwise (except as otherwise specifically provided in this Seventh Supplemental Indenture)

of any one Assessment Area Five - Phase 2 Bond over any other Assessment Area Five - Phase 2 Bond, all as provided in the Indenture, and any Bonds issued on a parity with the Assessment Area Five - Phase 2 Bonds.

PROVIDED, HOWEVER, that if the Issuer, its successors or assigns, shall well and truly pay, or cause to be paid, or make due provision for the payment of the principal or Redemption Price of the Assessment Area Five - Phase 2 Bonds issued and any Bonds issued on a parity with the Assessment Area Five - Phase 2 Bonds, secured and Outstanding hereunder and the interest due or to become due thereon, at the times and in the manner mentioned in such Assessment Area Five - Phase 2 Bonds and the Indenture, according to the true intent and meaning thereof and hereof, and the Issuer shall well and truly keep, perform and observe all the covenants and conditions pursuant to the terms of the Indenture to be kept, performed and observed by it, and shall pay or cause to be paid to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions hereof, then upon such final payments this Seventh Supplemental Indenture and the rights hereby granted shall cease and terminate, otherwise this Seventh Supplemental Indenture to be and remain in full force and effect.

## **ARTICLE I**

### **DEFINITIONS**

In this Seventh Supplemental Indenture capitalized terms used without definition shall have the meanings ascribed thereto in the Master Indenture and, in addition, the following terms shall have the meanings specified below, unless otherwise expressly provided or unless the context otherwise requires:

“Acquisition Agreement” shall mean one or more improvement acquisition agreements relating to the Assessment Area Five - Phase 2 Project, between the Landowner and the Issuer.

“Arbitrage Certificate” shall mean that certain Federal Tax Certificate, including arbitrage rebate covenants, of the Issuer, dated as of November \_\_, 2023, relating to certain restrictions on arbitrage under the Code.

“Assessment Area Five - Phase 2” shall mean the lands on which the Assessment Area Five - Phase 2 Bonds Special Assessments are initially levied, the legal description for which is set forth on Exhibit A hereto.

“Assessment Area Five - Phase 2 Bonds Acquisition and Construction Account” shall mean the Account so designated, established as a separate account within the Acquisition and Construction Fund pursuant to Section 4.01(a) of this Seventh Supplemental Indenture.

“Assessment Area Five - Phase 2 Bond Redemption Account” shall mean the Assessment Area Five - Phase 2 Bond Redemption Account established pursuant to Section 4.01(g) of this Seventh Supplemental Indenture.

“Assessment Area Five - Phase 2 Bonds” shall mean the \$\_\_\_\_\_ aggregate principal amount of Veranda Community Development District II (St. Lucie County, Florida) Special Assessment Revenue and Refunding Bonds, Series 2023 (Assessment Area Five - Phase 2 - Veranda Estates Project), to be issued as fully registered bonds in accordance with the provisions of the Master Indenture and this Seventh Supplemental Indenture, and secured and authorized by the Master Indenture and this Seventh Supplemental Indenture.

“Assessment Area Five - Phase 2 Bonds Capitalized Interest Subaccount” shall mean the subaccount so designated, established as a separate subaccount within the Assessment Area Five - Phase 2 Bonds Interest Account pursuant to Section 4.01(d) of this Seventh Supplemental Indenture.

“Assessment Area Five - Phase 2 Bonds Debt Service Reserve Account” shall mean the Account so designated, established as a separate account within the Debt Service Reserve Fund pursuant to Section 4.01(f) of this Seventh Supplemental Indenture.

“Assessment Area Five - Phase 2 Bonds General Subaccount” shall mean the subaccount so designated, established as a separate subaccount under the Assessment Area Five - Phase 2 Bond Redemption Account pursuant to Section 4.01(g) of this Seventh Supplemental Indenture.



“Assessment Area Five - Phase 2 Bonds Interest Account” shall mean the Account so designated, established as a separate account within the Debt Service Fund pursuant to Section 4.01(d) of this Seventh Supplemental Indenture.

“Assessment Area Five - Phase 2 Bonds Pledged Revenues” or “Pledged Revenues” shall mean with respect to the Assessment Area Five - Phase 2 Bonds (a) all revenues received by the Issuer from Assessment Area Five - Phase 2 Bonds Special Assessments, including, without limitation, amounts received from any foreclosure proceeding for the enforcement of collection of such Assessment Area Five - Phase 2 Bonds Special Assessments or from the issuance and sale of tax certificates with respect to such Assessment Area Five - Phase 2 Bonds Special Assessments, and (b) all moneys on deposit in the Funds and Accounts established under the Indenture with respect to the Assessment Area Five - Phase 2 Bonds; provided, however, that Assessment Area Five - Phase 2 Bonds Pledged Revenues shall not include (i) any moneys transferred to the Rebate Fund, or investment earnings thereon and (ii) “special assessments” levied and collected by the Issuer under Section 190.022 of the Act for maintenance purposes or “maintenance special assessments” levied and collected by the Issuer under Section 190.021(3) of the Act (it being expressly understood that the lien and pledge of the Indenture shall not apply to any of the moneys described in the foregoing clauses (i) and (ii) of this proviso).

“Assessment Area Five - Phase 2 Bond Prepayment” shall mean the monies received as a result of payment by any owner of property of the Assessment Area Five - Phase 2 Bonds Special Assessments encumbering its property, in whole or in part, prior to its scheduled due date, including optional prepayments.

“Assessment Area Five - Phase 2 Bond Prepayment Principal” shall mean the portion of an Assessment Area Five - Phase 2 Bond Prepayment corresponding to the principal amount of Assessment Area Five - Phase 2 Bonds Special Assessments being prepaid.

“Assessment Area Five - Phase 2 Bonds Prepayment Subaccount” shall mean the account so designated, established as a separate account under the Assessment Area Five - Phase 2 Bond Redemption Account pursuant to Section 4.01(g) of this Seventh Supplemental Indenture.

“Assessment Area Five - Phase 2 Bonds Principal Account” shall mean the Account so designated, established as a separate account within the Debt Service Fund pursuant to Section 4.01(c) of this Seventh Supplemental Indenture.

“Assessment Area Five - Phase 2 Bonds Revenue Account” shall mean the Account so designated, established as a separate account within the Revenue Fund pursuant to Section 4.01(b) of this Seventh Supplemental Indenture.

“Assessment Area Five - Phase 2 Bonds Sinking Fund Account” shall mean the Account so designated, established as a separate account within the Debt Service Fund pursuant to Section 4.01(e) of this Seventh Supplemental Indenture.

“Assessment Area Five - Phase 2 Bonds Special Assessments” shall mean the portion of the Special Assessments levied corresponding to the debt service on the Assessment Area Five - Phase 2 Bonds.



“Assessment Area Five - Phase 2 Project” shall mean the planning, financing, acquisition, construction, equipping and installation of certain infrastructure improvements consisting of the improvements relating to Assessment Area Five - Phase 2 described in the Supplement No. \_\_ to the Engineer’s Report, dated October \_\_, 2023, prepared by Culpepper & Terpening, Inc., as the District’s Consulting Engineer, and adopted by the District, as such improvements may be modified from time to time by the District Engineer in an Engineer’s Report approved by the District:

“Assessment Area Three Bonds” shall mean the \$\_\_\_\_\_ aggregate principal amount of Veranda Community Development District II (St. Lucie County, Florida) Special Assessment Revenue and Refunding Bonds, Series 2023 (Assessment Area Three – Veranda Preserve East Project), to be issued as fully registered bonds in accordance with the provisions of the Master Indenture and a Sixth Supplemental Trust Indenture, dated as of November 1, 2023, between the Issuer and the Trustee, which Assessment Area Three Bonds are separate and apart from the Assessment Area Five - Phase 2 Bonds and are not issued under or secured by this Seventh Supplemental Indenture.

“Assessment Resolutions” shall mean Resolutions 2018-30 and 2018-31 of the Issuer dated September 17, 2018, Resolution 2019-03 of the Issuer adopted October 23, 2018, and Resolution 2023-\_\_ of the Issuer dated November \_\_, 2023, as amended and supplemented from time to time.

“Authorized Denomination” shall mean, with respect to the Assessment Area Five - Phase 2 Bonds, on the date of issuance, in the denominations of \$5,000 and any integral multiple thereof, provided, however, if any initial Beneficial Owner of Assessment Area Five - Phase 2 Bonds does not purchase at least \$100,000 of the Assessment Area Five - Phase 2 Bonds at the time of initial delivery of the Assessment Area Five - Phase 2 Bonds, such Beneficial Owner must execute and deliver to the Issuer and the Underwriter on the date of delivery of the Assessment Area Five - Phase 2 Bonds the investor letter in the form satisfactory to the Issuer or otherwise establish to the satisfaction of the Underwriter that such Beneficial Owner is an “accredited investor,” as described in Rule 501(a) under Regulation D of the Securities Act of 1933, as amended.

“Capital Improvement Plan” shall mean Capital Improvement Plan as described in the Engineers Report, dated August 27, 2018, together with Supplement No. \_\_ dated October \_\_, 2023, prepared by Culpepper & Terpening, Inc., as District Engineer, and adopted by the District, setting forth the public infrastructure improvements to be constructed by the District, as amended and supplemented from time to time with the approval of the District.

“Capitalized Interest” shall mean interest due or to become due on the Assessment Area Five - Phase 2 Bonds, which will be paid, or is expected to be paid, from the proceeds of the Assessment Area Five - Phase 2 Bonds, respectively.

“Collateral Assignment” shall mean that certain Collateral Assignment and Assumption of Development Rights Relating to the Assessment Area Five - Phase 2 Project and dated as of November \_\_, 2023 between the Issuer and the Landowner, as amended from time to time.

“Completion Agreement” shall mean the Completion Agreement dated as of November \_\_, 2023 between the Issuer and the Landowner as such agreement may be modified from time to time.

“Continuing Disclosure Agreement” shall mean the continuing disclosure agreement for the benefit of the Beneficial Owners of the Assessment Area Five - Phase 2 Bonds, to be entered into among the Issuer, the Landowner and Rizzetta & Company, as dissemination agent, and agreed to and acknowledged by the Trustee, dated November \_\_, 2023 in connection with the issuance of the Assessment Area Five - Phase 2 Bonds.

“Debt Service Reserve Requirement” shall mean, with respect to the Assessment Area Five - Phase 2 Bonds, until the First Reserve Account Release Conditions have been satisfied, an amount equal to the maximum annual debt service with respect to the Outstanding Assessment Area Five - Phase 2 Bonds. On the date the First Reserve Account Release Conditions have been satisfied, the Debt Service Reserve Requirement for the Assessment Area Five - Phase 2 Bonds shall be reduced to an amount equal to 50% of the maximum annual debt service with respect to the Outstanding Assessment Area Five - Phase 2 Bonds. On the date the Second Reserve Account Release Conditions have been satisfied, the Debt Service Reserve Requirement for the Assessment Area Five - Phase 2 Bonds shall be reduced to an amount equal to 10% of the maximum annual debt service with respect to the Outstanding Assessment Area Five - Phase 2 Bonds. Any excess in the Assessment Area Five - Phase 2 Debt Service Reserve Account as a result of such reduction in the Debt Service Reserve Requirement for the Assessment Area Five - Phase 2 Bonds shall be deposited into the Assessment Area Five - Phase 2 Acquisition and Construction Account. Any amount in the Assessment Area Five - Phase 2 Debt Service Reserve Account may, upon final maturity or redemption of all Outstanding Assessment Area Five - Phase 2 Bonds, be used to pay principal of and interest on the Assessment Area Five - Phase 2 Bonds. The District or the District Manager, on behalf of the District, shall provide written notice to the Trustee when the First Reserve Account Release Conditions or the Second Reserve Account Release Conditions have been satisfied, upon which the Trustee may conclusively rely. The Debt Service Reserve Requirement for the Assessment Area Five - Phase 2 Bonds shall be re-calculated upon the payment of principal of the Assessment Area Five - Phase 2 Bonds pursuant to extraordinary mandatory redemption (but not upon optional redemption or mandatory redemption to satisfy Amortization Installments). The Debt Service Reserve Requirement for the Assessment Area Five - Phase 2 Bonds is initially \$\_\_\_\_\_.

“First Reserve Account Release Conditions” shall mean (i) all of the single-family residential lots planned for Assessment Area Five - Phase 2 are platted as certified in writing by the District Engineer; (ii) all of the platted single-family residential lots subject to the Assessment Area Five - Phase 2 Bonds Special Assessments have closed with homebuilders; and (iii) no Event of Default has occurred and is continuing with respect to any outstanding Bonds of the District.

“Defeasance Securities” shall mean, with respect to the Assessment Area Five - Phase 2 Bonds, to the extent permitted by law, (a) cash deposits, and (b) direct obligations of the United States of America (including obligations issued or held in book entry form on the books of the Department of Treasury), which are non-callable and non-prepayable.

“Indenture” shall mean collectively, the Master Indenture and this Seventh Supplemental Indenture.

“Interest Payment Date” shall mean May 1 and November 1 of each year, commencing May 1, 2024.

“Landowner” shall mean Veranda St. Lucie Land Holdings, LLC, a Delaware limited liability company, and any entity which succeeds to all or any part of the interests and assumes any or all of the responsibilities of said entity as owner a majority of the lands subject to the Assessment Area Five - Phase 2 Bonds Special Assessments.

“Majority Owners” shall mean the Beneficial Owners of more than 50% of the principal amount of the Assessment Area Five - Phase 2 Bonds Outstanding.

“Master Indenture” shall mean the Master Trust Indenture, dated as of December 1, 2018, by and between the Issuer and the Trustee, as supplemented and amended with respect to matters pertaining solely to the Master Indenture or the Assessment Area Five - Phase 2 Bonds (excluding supplements or amendments relating to Series of Bonds other than the Assessment Area Five - Phase 2 Bonds).

“Paying Agent” shall mean U.S. Bank Trust Company, N.A., and its successors and assigns as Paying Agent hereunder.

“Quarterly Redemption Date” means each February 1, May 1, August 1 and November 1.

“Refunded Series 2018B Bonds” shall mean \$855,000 in principal amount of the Series 2018B Bonds, which correspond to the Series 2018B Special Assessments (as defined in the Third Supplemental Indenture) on the tax parcels on which the Assessment Area Five - Phase 2 Bonds Assessments will be imposed.

“Registrar” shall mean U.S. Bank Trust Company, N.A., and its successors and assigns as Registrar hereunder.

“Resolution” shall mean, collectively, (i) Resolution 2018-32 of the Issuer dated July 17, 2018, pursuant to which the Issuer authorized the issuance of not exceeding \$75,000,000 aggregate principal amount of its Special Assessment Revenue Bonds to finance the planning, financing, acquisition, construction, reconstruction, equipping and installation of the Capital Improvement Plan, and (ii) Resolution 2023-\_\_ of the Issuer adopted October \_\_, 2023, pursuant to which the Issuer authorized the issuance of the Assessment Area Five - Phase 2 Bonds and the Assessment Area Three Bonds, specifying certain details of the Assessment Area Five - Phase 2 Bonds and delegating authority to the Chairman and Vice Chairman to award and sell the Assessment Area Five - Phase 2 Bonds.

“Series 2018B Bonds” shall mean the \$6,910,000 aggregate principal amount of Veranda Community Development District II (St. Lucie County, Florida) Special Assessment Revenue Bonds, Series 2018B (Assessment Areas Three, Four and Five), issued in accordance with the provisions of the Master Indenture and a Third Supplemental Trust Indenture, dated as of December 1, 2018, between the Issuer and the Trustee.

“Second Reserve Account Release Conditions” shall mean (i) the First Reserve Account Conditions have been satisfied; (ii) all of the platted single-family residential lots subject to the Assessment Area Five - Phase 2 Bonds Special Assessments have been constructed and received a certificate of occupancy; and (iii) no Event of Default has occurred and is continuing with respect to any outstanding Bonds of the District.

“Substantially Absorbed” shall mean the date on which a principal amount of the Assessment Area Five - Phase 2 Bonds Special Assessments equaling at least ninety percent (90%) of the then-Outstanding principal amount of the Assessment Area Five - Phase 2 Bonds are levied on tax parcels within the District with respect to which a certificate of occupancy has been issued for a structure thereon.[]

“Underwriter” shall mean FMSbonds, Inc.

The words “hereof”, “herein”, “hereto”, “hereby”, and “hereunder” (except in the forms of Assessment Area Five - Phase 2 Bonds), refer to the entire Indenture.

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

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

[End of Article I]

**ARTICLE II**  
**THE ASSESSMENT AREA FIVE - PHASE 2 BONDS**

SECTION 2.01     Amounts and Terms of Assessment Area Five - Phase 2 Bonds; Issue of Assessment Area Five - Phase 2 Bonds. The Assessment Area Five - Phase 2 Bonds are hereby authorized to be issued in the aggregate principal amount of \$\_\_\_\_\_ for the purposes enumerated in the recitals hereto.

The Assessment Area Five - Phase 2 Bonds shall be a separate Series of Bonds for all purposes under the Indenture, including but not limited to, determining requisite percentages for consent or control by Owners and consents to amendments and the occurrence of defaults and Events of Default. The Assessment Area Five - Phase 2 Bonds shall be secured by the Assessment Area Five - Phase 2 Bonds Pledged Revenues. The Assessment Area Five - Phase 2 Bonds are not cross secured or cross defaulted with any other Series of Bonds issued under the Master Indenture.

Any and all Assessment Area Five - Phase 2 Bonds shall be issued substantially in the form attached hereto as Exhibit B, with such appropriate variations, omissions and insertions as are permitted or required by the Indenture and with such additional changes as may be necessary or appropriate to conform to the provisions of the Resolution. The Issuer shall issue the Assessment Area Five - Phase 2 Bonds upon execution of this Seventh Supplemental Indenture and satisfaction of the requirements of Section 3.01 of the Master Indenture; and the Trustee shall, at the Issuer's request, authenticate such Assessment Area Five - Phase 2 Bonds and deliver them as specified in the request.

SECTION 2.02     Execution. The Assessment Area Five - Phase 2 Bonds shall be executed by the Issuer as set forth in the Master Indenture.

SECTION 2.03     Authentication. The Assessment Area Five - Phase 2 Bonds shall be authenticated as set forth in the Master Indenture. No Assessment Area Five - Phase 2 Bond shall be valid until the certificate of authentication shall have been duly executed by the Trustee, as provided in the Master Indenture.

SECTION 2.04     Purpose, Designation and Denominations of, and Interest Accruals on, the Assessment Area Five - Phase 2 Bonds.

(a)     The Assessment Area Five - Phase 2 Bonds are being issued hereunder in order to provide funds (i) to currently refund the Refunded Series 2018B Bonds, (ii) for the payment of a portion of the costs of the Assessment Area Five - Phase 2 Project, (iii) for the payment of interest on the Assessment Area Five - Phase 2 Bonds through May 1, 2024, (iv) to fund the Assessment Area Five - Phase 2 Bonds Debt Service Reserve Account, and (v) to pay a portion of the costs of issuance of the Assessment Area Five - Phase 2 Bonds. The Assessment Area Five - Phase 2 Bonds shall be designated "Veranda Community Development District II (St. Lucie County, Florida) Special Assessment Revenue and Refunding Bonds, Series 2023 (Assessment Area Five - Phase 2 - Veranda Estates Project)", and shall be issued as fully registered bonds without coupons in Authorized Denominations. The Assessment Area Five - Phase 2 Bonds shall be numbered consecutively from R-1 and upwards.

(b) The Assessment Area Five - Phase 2 Bonds shall be dated the date of delivery thereof. Interest on the Assessment Area Five - Phase 2 Bonds shall be payable on each Interest Payment Date to maturity or prior redemption as provided in the form of the Assessment Area Five - Phase 2 Bond attached hereto and in Section 2.01 of the Master Indenture.

SECTION 2.05      Terms of the Assessment Area Five - Phase 2 Bonds.

(a) The Assessment Area Five - Phase 2 Bonds will mature in the following principal amounts on the dates indicated below, subject to the right of prior redemption in accordance with their terms, and bear interest as set forth below:

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
May 1, 20__	\$	%
May 1, 20__		
May 1, 20__		
May 1, 20__		

SECTION 2.06      Disposition of Assessment Area Five - Phase 2 Bond Proceeds.

From the net proceeds of the Assessment Area Five - Phase 2 Bonds received by the Trustee,

(i) \$\_\_\_\_\_ representing Capitalized Interest shall be deposited in the Assessment Area Five - Phase 2 Bonds Capitalized Interest Subaccount,

(ii) \$\_\_\_\_\_ (which is an amount equal to the initial Debt Service Reserve Requirement in respect of the Assessment Area Five - Phase 2 Bonds) shall be deposited in the Assessment Area Five - Phase 2 Bonds Debt Service Reserve Account of the Debt Service Reserve Fund,

(iii) \$\_\_\_\_\_ shall be deposited in the 2023 AA5 Cost of Issuance Account and to be applied to costs of issuance in accordance with Article V of the Master Indenture,

(iv) \$\_\_\_\_\_, representing the amount necessary (together with other funds available within the accounts associated with the Refunded Series 2018B Bonds in the amount of \$\_\_\_\_\_) to redeem the Refunded Series 2018B Bonds, shall be deposited by the Trustee into the General Account of the Series 2018B Redemption Account established under the Third Supplemental Indenture and used to redeem the Refunded Series 2018B Bonds; and

(iv) \$\_\_\_\_\_ constituting all remaining proceeds of the Assessment Area Five - Phase 2 Bonds, shall be deposited in the Assessment Area Five - Phase 2 Bonds Acquisition and Construction Account to be applied to Assessment Area Five - Phase 2 Project Costs in accordance with Article V of the Master Indenture. Additional moneys shall be deposited in the Assessment Area Five - Phase 2 Acquisition and Construction Account from the Assessment Area



Five - Phase 2 Debt Service Reserve Account as a result of the First Reserve Account Release Conditions or the Second Reserve Account Release Conditions being satisfied.

SECTION 2.07      Book-Entry Form of Assessment Area Five - Phase 2 Bonds. The Assessment Area Five - Phase 2 Bonds shall be issued as one fully registered bond per maturity of each series and deposited with The Depository Trust Company, New York, New York, which is responsible for establishing and maintaining records of ownership for its participants. While the Assessment Area Five - Phase 2 Bonds are held in a book-entry-only system, such Assessment Area Five - Phase 2 Bonds are not required to be presented for payment at maturity or upon redemption.

The Issuer and the Trustee, if appropriate, shall enter into a letter of representations with DTC providing for such book-entry-only system, in accordance with the provisions of Section 2.11 of the Master Indenture. Such agreement 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, at the expense of the Issuer, register and deliver to the Beneficial Owners replacement Assessment Area Five - Phase 2 Bonds in the form of fully registered Assessment Area Five - Phase 2 Bonds in accordance with the instructions from Cede & Co.

SECTION 2.08      Appointment of Registrar and Paying Agent. The Issuer shall keep, at the designated corporate trust office of the Registrar, the Bond Register for the registration, transfer and exchange of the Assessment Area Five - Phase 2 Bonds, and hereby appoints U.S. Bank Trust Company, N.A. as its Registrar to keep such books and make such registrations, transfers, and exchanges as required hereby. U.S. Bank Trust Company, N.A. hereby accepts its appointment as Registrar and its duties and responsibilities as Registrar hereunder. Registrations, transfers and exchanges shall be without charge to the Bondholder requesting such registration, transfer or exchange, but such Bondholder shall pay any taxes or other governmental charges on all registrations, transfers and exchanges.

The Issuer hereby appoints U.S. Bank Trust Company, N.A. as Paying Agent for the Assessment Area Five - Phase 2 Bonds. U.S. Bank Trust Company, N.A. hereby accepts its appointment as Paying Agent and its duties and responsibilities as Paying Agent hereunder.

[End of Article II]

**ARTICLE III**  
**REDEMPTION OF ASSESSMENT AREA FIVE - PHASE 2 BONDS**

SECTION 3.01      Redemption Dates and Prices. The Assessment Area Five - Phase 2 Bonds shall be subject to redemption at the times and in the manner provided in Article VIII of the Master Indenture and in this Article III. All payments of the Redemption Price of the Assessment Area Five - Phase 2 Bonds shall be made on the dates hereinafter required. Except as otherwise provided in Section 3.01(a) below, if less than all the Assessment Area Five - Phase 2 Bonds are to be redeemed, the Trustee shall select the Assessment Area Five - Phase 2 Bonds or portions of the Assessment Area Five - Phase 2 Bonds to be redeemed as provided in Section 8.04 of the Master Indenture.

(a)      Optional Redemption.

The Assessment Area Five - Phase 2 Bonds may, at the option of the Issuer, be called for redemption prior to maturity in whole or in part on any date on or after \_\_\_\_ 1, 20\_\_ (the maturities to be selected by the Issuer and if less than all of a maturity, the Assessment Area Five - Phase 2 Bonds to be selected as provided in the Master Indenture), at the Redemption Price of 100% of their principal amount plus accrued interest from the most recent Interest Payment Date to the redemption date.

(b)      Extraordinary Mandatory Redemption in Whole or in Part. The Assessment Area Five - Phase 2 Bonds are subject to extraordinary mandatory redemption prior to maturity by the Issuer in whole, on any date, or in part, on any Quarterly Redemption Date, at an extraordinary mandatory Redemption Price equal to 100% of the principal amount of the Assessment Area Five - Phase 2 Bonds to be redeemed, plus interest accrued to the redemption date, as follows:

(i)      from Assessment Area Five - Phase 2 Bond Prepayment Principal deposited into the Assessment Area Five - Phase 2 Bonds Prepayment Subaccount following the prepayment in whole or in part of Assessment Area Five - Phase 2 Bonds Special Assessments in accordance with the provisions of Section 4.03(a) of this Seventh Supplemental Indenture, including excess moneys transferred from the Assessment Area Five - Phase 2 Bonds Debt Service Reserve Account to the Assessment Area Five - Phase 2 Bonds Prepayment Subaccount resulting from such Assessment Area Five - Phase 2 Bond Prepayments pursuant to Section 4.01(f)(ii) of this Seventh Supplemental Indenture;

(ii)      from moneys, if any, on deposit in the Assessment Area Five - Phase 2 Bonds Accounts and Subaccounts in the Assessment Area Five - Phase 2 Bonds Funds and Accounts (other than the Rebate Fund) sufficient to pay and redeem all Assessment Area Five - Phase 2 Bonds Outstanding Bonds and accrued interest thereon to the redemption date or dates in addition to all amounts owed to Persons under the Master Indenture.

(iii)      on or after the Completion Date of the Assessment Area Five - Phase 2 Project, by application of moneys remaining in the Assessment Area Five - Phase 2 Bonds Acquisition and Construction Account not reserved by the Issuer



for the payment of any remaining part of the Cost of the Assessment Area Five - Phase 2 Project (as specified in a written certificate from the Issuer to the Trustee specifying the amount to be reserved), all of which shall be transferred as specified in Section 4.01(a) hereof to the Assessment Area Five - Phase 2 Bonds General Subaccount, credited toward extinguishment of the Assessment Area Five - Phase 2 Bonds Special Assessments in the manner provided by law and the Assessment Resolutions and applied toward the redemption of the Assessment Area Five - Phase 2 Bonds in accordance with the manner it has credited such excess moneys toward extinguishment of Assessment Area Five - Phase 2 Bonds Special Assessments which the Issuer shall describe to the Trustee in writing; and

(iv) from amounts on deposit in the Assessment Area Five - Phase 2 Bonds Debt Service Reserve Account in excess of the Debt Service Reserve Requirement for the Assessment Area Five - Phase 2 Bonds and transferred to the Assessment Area Five - Phase 2 Bonds General Subaccount in accordance with Section 6.05 of the Master Indenture and Section 4.01(f)(i) hereof to be used for the extraordinary mandatory redemption of the Assessment Area Five - Phase 2 Bonds.

(c) Mandatory Sinking Fund Redemption. (i) The Assessment Area Five - Phase 2 Bonds maturing on May 1, 20\_\_, are subject to mandatory redemption in part by the District by lot prior to their scheduled maturity from moneys in the Assessment Area Five - Phase 2 Sinking Fund Account established under the Indenture in satisfaction of applicable Sinking Fund Installments at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

Year	Principal
<u>(May 1)</u>	<u>Amount</u>
	\$

\*

\* Maturity.

(ii) The Assessment Area Five - Phase 2 Bonds maturing on May 1, 20\_\_, are subject to mandatory redemption in part by the District by lot prior to their scheduled maturity from moneys in the Assessment Area Five - Phase 2 Sinking Fund Account established under the Indenture in satisfaction of applicable Sinking Fund Installments at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

Year	Principal
<u>(May 1)</u>	<u>Amount</u>
	\$

\*

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\* Maturity.

(iii) The Assessment Area Five - Phase 2 Bonds maturing on May 1, 20\_\_, are subject to mandatory redemption in part by the District by lot prior to their scheduled maturity from moneys in the Assessment Area Five - Phase 2 Sinking Fund Account established under the Indenture in satisfaction of applicable Sinking Fund Installments at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

Year	Principal
<u>(May 1)</u>	<u>Amount</u>
	\$

\*

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\* Maturity.

(iv) The Assessment Area Five - Phase 2 Bonds maturing on May 1, 20\_\_, are subject to mandatory redemption in part by the District by lot prior to their scheduled maturity from moneys in the Assessment Area Five - Phase 2 Sinking Fund Account established under the Indenture in satisfaction of applicable Sinking Fund Installments at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

Year	Principal
<u>(May 1)</u>	<u>Amount</u>
	\$

\*

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\* Maturity.

(v) Upon any redemption of Assessment Area Five - Phase 2 Bonds other in accordance with scheduled Sinking Fund Installments, the District shall cause to be recalculated and delivered to the Trustee revised Sinking Fund Installments recalculated so as to amortize the

Outstanding principal of the Assessment Area Five - Phase 2 Bonds in substantially equal annual installments of principal and interest (subject to rounding to Authorized Denominations of principal) over the remaining term of the Assessment Area Five - Phase 2 Bonds.

SECTION 3.02      Notice of Redemption. When required to redeem Assessment Area Five - Phase 2 Bonds under any provision of this Seventh Supplemental Indenture or directed to redeem Assessment Area Five - Phase 2 Bonds by the Issuer, the Trustee shall give or cause to be given to Owners of the Assessment Area Five - Phase 2 Bonds to be redeemed notice of the redemption, as set forth in Section 8.02 of the Master Indenture.

[End of Article III]

**ARTICLE IV**  
**ESTABLISHMENT OF CERTAIN FUNDS AND ACCOUNTS;**  
**ADDITIONAL COVENANTS OF THE ISSUER; PREPAYMENTS; REMOVAL OF**  
**SPECIAL ASSESSMENT LIENS**

SECTION 4.01      Establishment of Certain Funds and Accounts.

(a) The Trustee shall establish a separate account within the Acquisition and Construction Fund designated as the "Assessment Area Five - Phase 2 Bonds Acquisition and Construction Account". Proceeds of the Assessment Area Five - Phase 2 Bonds shall be deposited into the Assessment Area Five - Phase 2 Bonds Acquisition and Construction Account in the amount set forth in Section 2.06 of this Seventh Supplemental Indenture, together with any excess moneys transferred to the Assessment Area Five - Phase 2 Bonds Acquisition and Construction Account and money transferred from the Assessment Area Five - Phase 2 Debt Service Reserve Account as a result of the First Reserve Account Release Conditions or the Second Reserve Account Release Conditions being satisfied, and such moneys in the Assessment Area Five - Phase 2 Bonds Acquisition and Construction Account shall be applied as set forth in Article V of the Master Indenture and Sections 4.01(a) and 3.01(b)(iii) of this Seventh Supplemental Indenture. Before any such payment shall be made, the Issuer shall file with the Trustee a fully executed requisition, in the form set forth in Exhibit C attached hereto, signed by a Responsible Officer and, except for payments of costs of issuance, a certificate of the Consulting Engineer signed by a Consulting Engineer, which certificate shall be part of the requisition. The Trustee shall be entitled to conclusively rely on such certification to pay such requisition.

After the Completion Date of the Assessment Area Five - Phase 2 Project and after retaining in the Assessment Area Five - Phase 2 Bonds Acquisition and Construction Account the amount, if any, of all remaining unpaid Costs of the Assessment Area Five - Phase 2 Project (as set forth in an Officer's Certificate of the District to the Trustee specifying the amount to be retained), any funds remaining in the Assessment Area Five - Phase 2 Bonds Acquisition and Construction Account shall be transferred into the Assessment Area Five - Phase 2 Bonds General Subaccount and applied to the extraordinary mandatory redemption of the Assessment Area Five - Phase 2 Bonds, and the Assessment Area Five - Phase 2 Bonds Acquisition and Construction Account shall be closed. Notwithstanding the foregoing, the District shall not declare that the Completion Date has occurred until after the Second Reserve Account Release Conditions have been satisfied and all moneys transferred from the Assessment Area Five - Phase 2 Debt Service Reserve Account to the Assessment Area Five - Phase 2 Acquisition and Construction Account have been expended or the District Engineer has certified in writing to the District and the Trustee that such amount is in excess of what is needed to complete the Assessment Area Five - Phase 2 Project.

After the occurrence of an Event of Default specified in Subsections 10.02(g) or 10.02(h) of the Master Indenture resulting from the non-payment of Assessment Area Five - Phase 2 Bonds Special Assessments allocated to property owned by the Landowner, disbursements from the Assessment Area Five - Phase 2 Bonds Acquisition and Construction Account shall be made only with the consent of the Majority Owners, provided that no such consent shall be required for disbursements for Costs incurred by the Issuer under acquisition or construction contracts

entered into by the Issuer prior to the occurrence of such Event of Default which Costs relate to work performed before the later of (i) 30 days after the notification by the Trustee of such Event of Default or (ii) the earliest date on which the Issuer is entitled to suspend or terminate such acquisition or construction contract in its discretion.

In addition, the Trustee shall establish a separate account within the Acquisition and Construction Fund designated as the “2023 AA5 Cost of Issuance Account”. Proceeds of the Assessment Area Five - Phase 2 Bonds shall be deposited into the 2023 AA5 Cost of Issuance Account in the amounts set forth in Section 2.06 of this Sixth Supplemental Indenture. Such moneys in the 2025 AA3 Cost of Issuance Account shall be applied as set forth in Article V of the Master Indenture and this Section 4.01(a) to pay issuance costs related to the Assessment Area Five - Phase 2 Bonds, pursuant to requisitions as required by Article V of the Master Indenture. Any amounts remaining in the Series 2023 AA5 Costs of Issuance Account after the earlier of (i) payment of all of the issuance cost related to the Assessment Area Five - Phase 2 Bonds or (ii) six months after the initial delivery of the Assessment Area Five - Phase 2 Bonds, shall be transferred to the Assessment Area Three Acquisition and Construction Account established under this Seventh Supplemental Indenture to be used for the purposes permitted therefor, and thereupon the 2023 AA5 Costs of Issuance Account shall be closed. The Trustee shall be entitled to conclusively rely on the requisitions submitted by the Issuer as to the payment of the issuance costs related to the Assessment Area Five - Phase 2 Bonds.

(b) Pursuant to Section 6.03 of the Master Indenture, the Trustee shall establish a separate account within the Revenue Fund designated as the “Assessment Area Five - Phase 2 Bonds Revenue Account”. All amounts received by the Issuer from the levy of the Assessment Area Five - Phase 2 Bonds Special Assessments (except for Assessment Area Five - Phase 2 Bond Prepayment Principal, as designated by the Issuer upon delivery to the Trustee, which shall be deposited in the Assessment Area Five - Phase 2 Bonds Prepayment Subaccount) shall be deposited by the Trustee into the Assessment Area Five - Phase 2 Bonds Revenue Account, which shall be applied as set forth in Article VI of the Master Indenture and Section 4.02 of this Seventh Supplemental Indenture.

(c) Pursuant to Section 6.04 of the Master Indenture, the Trustee shall establish a separate account within the Debt Service Fund designated as the “Assessment Area Five - Phase 2 Bonds Principal Account”. Moneys shall be deposited into the Assessment Area Five - Phase 2 Bonds Principal Account as provided in Article VI of the Master Indenture and Section 4.02 of this Seventh Supplemental Indenture, and applied for the purposes provided therein.

(d) Pursuant to Section 6.04 of the Master Indenture, the Trustee shall establish a separate account within the Debt Service Fund designated as the “Assessment Area Five - Phase 2 Bonds Interest Account” and within such Account, the “Assessment Area Five - Phase 2 Bonds Capitalized Interest Subaccount”. Moneys deposited into the Assessment Area Five - Phase 2 Bonds Interest Account pursuant to the Master Indenture and Section 4.02 of this Seventh Supplemental Indenture, shall be applied for the purposes provided therein.

In the event that on May 1, 2024, the amount of proceeds of the Assessment Area Five - Phase 2 Bonds representing Capitalized Interest on deposit in the Assessment Area Five - Phase 2 Bonds Capitalized Interest Subaccount exceeds the amount needed for Capitalized Interest with

respect to the Assessment Area Five - Phase 2 Bonds, such excess shall be retained therein and used to pay interest due on the succeeding Interest Payment Date.

(e) Pursuant to Section 6.04 of the Master Indenture, the Trustee shall establish a separate account within the Debt Service Fund designated as the "Assessment Area Five - Phase 2 Bonds Sinking Fund Account". Moneys shall be deposited into the Assessment Area Five - Phase 2 Bonds Sinking Fund Account as provided in Article VI of the Master Indenture and Section 4.02 of this Seventh Supplemental Indenture and applied for the purposes provided therein and in Section 3.01(c) of this Seventh Supplemental Indenture.

(f) Pursuant to Section 6.05 of the Master Indenture, the Trustee shall establish an account within the Debt Service Reserve Fund designated as the "Assessment Area Five - Phase 2 Bonds Debt Service Reserve Account". As long as there exists no Event of Default under the Indenture to the actual knowledge of a Responsible Officer of the Trustee and the amounts in the Assessment Area Five - Phase 2 Bonds Debt Service Reserve Account are not reduced below the Debt Service Reserve Requirement, earnings on investments in the Assessment Area Five - Phase 2 Bonds Debt Service Reserve Account shall be transferred: prior to May 1, 2024 to the Assessment Area Five - Phase 2 Bonds Capitalized Interest Subaccount of the Assessment Area Five - Phase 2 Bonds Interest Account, then, after May 1, 2024 and prior to the Completion Date to the Assessment Area Five - Phase 2 Bonds Acquisition and Construction Account to be used and applied as set forth in Article V of the Master Indenture, then, after the Completion Date, to the Assessment Area Five - Phase 2 Bonds Revenue Account. If as of the last date on which amounts on deposit in the Assessment Area Five - Phase 2 Bonds Debt Service Reserve Account were valued by the Trustee there was a deficiency in the Assessment Area Five - Phase 2 Bonds Debt Service Reserve Account, or if after such date withdrawals have been made from the Assessment Area Five - Phase 2 Bonds Debt Service Reserve Account and have created such a deficiency, then earnings on investments in the Assessment Area Five - Phase 2 Bonds Debt Service Reserve Account for the Assessment Area Five - Phase 2 Bonds shall be deposited to the credit of the Assessment Area Five - Phase 2 Bonds Debt Service Reserve Account for the Assessment Area Five - Phase 2 Bonds until the amount on deposit therein equals the Debt Service Reserve Requirement for the Assessment Area Five - Phase 2 Bonds.

(i) Proceeds of the Assessment Area Five - Phase 2 Bonds shall be deposited into the Assessment Area Five - Phase 2 Bonds Debt Service Reserve Account in the amount set forth in Section 2.06 of this Seventh Supplemental Indenture, and such moneys, together with any other moneys deposited into the Assessment Area Five - Phase 2 Bonds Debt Service Reserve Account pursuant to the Master Indenture, shall be applied for the purposes provided therein and in this Section 4.01(f)(i). On the 45th day preceding each Quarterly Redemption Date (or, if such date is not a Business Day, on the Business Day next preceding such day), the Trustee shall determine the amount on deposit in the Assessment Area Five - Phase 2 Bonds Debt Service Reserve Account and transfer any excess therein above the Debt Service Reserve Requirement for the Assessment Area Five - Phase 2 Bonds (other than excess due to optional prepayment of an Assessment Area Five - Phase 2 Bonds Special Assessment by the owner of a lot or parcel, which shall be applied as provided in Section 4.01(f)(ii) below) to the Assessment Area Five - Phase 2 Bonds General Subaccount for the extraordinary mandatory redemption of Assessment Area Five - Phase 2 Bonds in accordance with Section 3.01(b)(iv).



(ii) In the event that the amount of proceeds of the Assessment Area Five - Phase 2 Bonds on deposit in the Assessment Area Five - Phase 2 Bonds Debt Service Reserve Account exceeds the Debt Service Reserve Requirement with respect to the Assessment Area Five - Phase 2 Bonds due to a decrease in the amount of Assessment Area Five - Phase 2 Bonds that will be outstanding as a result of an optional prepayment by the owner of a lot or parcel of land of an Assessment Area Five - Phase 2 Bonds Special Assessment against such lot or parcel as provided in Section 4.03(a) of this Seventh Supplemental Indenture, the amount to be released shall be transferred from the Assessment Area Five - Phase 2 Bonds Debt Service Reserve Account to the Assessment Area Five - Phase 2 Bonds Prepayment Subaccount, as a credit against the Assessment Area Five - Phase 2 Bond Prepayment Principal otherwise required to be made by the owner of such lot or parcel.

(g) Pursuant to Section 6.06 of the Master Indenture, the Trustee shall establish a separate Series Bond Redemption Fund designated as the "Assessment Area Five - Phase 2 Bond Redemption Account" and within such Fund, a "Assessment Area Five - Phase 2 Bonds General Subaccount" and a "Assessment Area Five - Phase 2 Bonds Prepayment Subaccount". Except as otherwise provided in this Seventh Supplemental Indenture with respect to Assessment Area Five - Phase 2 Bond Prepayment Principal, moneys to be deposited into the Assessment Area Five - Phase 2 Bond Redemption Account as provided in Article VI of the Master Indenture shall be deposited to the Assessment Area Five - Phase 2 Bonds General Subaccount. Assessment Area Five - Phase 2 Bond Prepayment Principal shall be deposited directly into the Assessment Area Five - Phase 2 Bonds Prepayment Subaccount as provided in Section 4.01(b) hereof.

(i) Moneys in the Assessment Area Five - Phase 2 Bonds General Subaccount (including all earnings on investments held therein) shall be accumulated therein to be used in the following order of priority, to the extent that the need therefor arises:

FIRST, to make such deposits into the Rebate Fund for the Assessment Area Five - Phase 2 Bonds, if any, as the Issuer may direct in writing in accordance with the Arbitrage Certificate, such moneys thereupon to be used solely for the purposes specified in the Arbitrage Certificate. Any moneys so transferred from the Assessment Area Five - Phase 2 Bonds General Subaccount to the Rebate Fund shall thereupon be free from the lien and pledge of the Indenture;

SECOND, to be used to call for redemption pursuant to Section 3.01(b)(ii) and (iii) hereof an amount of Assessment Area Five - Phase 2 Bonds equal to the amount of money transferred to the Assessment Area Five - Phase 2 Bonds General Subaccount pursuant to the aforesaid clauses or provisions, as appropriate, for the purpose of such extraordinary mandatory redemption on the dates and at the prices provided in such clauses or provisions, as appropriate; and

THIRD, the remainder to be utilized by the Trustee, at the written direction of a Responsible Officer, to call for redemption on each Quarterly Redemption Date on which Assessment Area Five - Phase 2 Bonds are subject to optional redemption pursuant to Section 3.01(a) hereof such amount of Assessment Area Five - Phase 2 Bonds as, with the redemption premium, may be practicable; provided, however, that not less than

\$5,000 principal amount of Assessment Area Five - Phase 2 Bonds shall be called for redemption at one time.

(ii) Moneys in the Assessment Area Five - Phase 2 Bonds Prepayment Subaccount (including all earnings on investments held therein) shall be used to call Assessment Area Five - Phase 2 Bonds for redemption pursuant to Section 3.01(b)(i) hereof. On the 45th day preceding each Quarterly Redemption Date (or if such date is not a Business Day, on the Business Day next preceding such day), the Trustee shall determine the amount on deposit in the Assessment Area Five - Phase 2 Bonds Prepayment Subaccount and, if the balance therein is greater than zero, shall transfer (but only after transferring sufficient amounts as directed in writing by the Issuer to make the transfers required by Section 4.01(g)(i) FIRST above and confirming that such transfer will not result in a deficiency in any of the transfers required by Section 4.02 FIRST through FIFTH below), from the Assessment Area Five - Phase 2 Bonds Revenue Account for deposit into the Assessment Area Five - Phase 2 Bonds Prepayment Subaccount, an amount sufficient to increase the amount on deposit therein to the next integral multiple of \$5,000, and, shall thereupon give notice and cause the extraordinary mandatory redemption of Assessment Area Five - Phase 2 Bonds on the next succeeding redemption date in the maximum aggregate principal amount for which moneys are then on deposit in the Assessment Area Five - Phase 2 Bonds Prepayment Subaccount in accordance with the provisions for extraordinary mandatory redemption of the Assessment Area Five - Phase 2 Bonds. All interest due in regard to such redemptions shall be paid from the Assessment Area Five - Phase 2 Bonds Interest Account.

SECTION 4.02 Assessment Area Five - Phase 2 Bonds Revenue Account. The Trustee shall transfer from amounts on deposit in the Assessment Area Five - Phase 2 Bonds Revenue Account to the Funds and Accounts designated below, the following amounts, at the following times and in the following order of priority:

FIRST, not later than the Business Day preceding each May 1 and November 1, to the Assessment Area Five - Phase 2 Bonds Interest Account, an amount equal to the interest on the Assessment Area Five - Phase 2 Bonds due on such May 1 or November 1, less any amounts on deposit in the Assessment Area Five - Phase 2 Bonds Capitalized Interest Subaccount or the Assessment Area Five - Phase 2 Bonds Interest Account not previously credited;

SECOND, no later than the Business Day next preceding each May 1, to the Assessment Area Five - Phase 2 Bonds Principal Account, an amount equal to the principal amount of Assessment Area Five - Phase 2 Bonds Outstanding maturing on such May 1, if any, less any amounts on deposit in the Assessment Area Five - Phase 2 Bonds Principal Account not previously credited;

THIRD, no later than the Business Day next preceding each May 1, to the Assessment Area Five - Phase 2 Bonds Sinking Fund Account, an amount equal to the Sinking Fund Installment due on such May 1, if any, less any amount on deposit in the Assessment Area Five - Phase 2 Bonds Sinking Fund Account not previously credited;



FOURTH, not later than the Business Day next succeeding each Interest Payment Date, to the Assessment Area Five - Phase 2 Bonds Debt Service Reserve Account, an amount equal to the amount, if any, which is necessary to make the amount on deposit therein equal to the Debt Service Reserve Requirement for the Assessment Area Five - Phase 2 Bonds;

FIFTH, notwithstanding the foregoing, at any time the Assessment Area Five - Phase 2 Bonds are subject to redemption on a date which is not a May 1 or November 1, the Trustee shall be authorized to transfer from the Assessment Area Five - Phase 2 Bonds Revenue Account to the Assessment Area Five - Phase 2 Bonds Interest Account, the amount necessary (together with any amounts in the Assessment Area Five - Phase 2 Bonds Interest Account and not otherwise previously credited) to pay interest on the Assessment Area Five - Phase 2 Bonds subject to redemption on such date; and

SIXTH, to the Rebate Fund if pursuant to the Arbitrage Certificate it is necessary to make a deposit into the Rebate Fund, in which case the Issuer shall direct the Trustee to make such deposit thereto.

Moneys held for the credit of the Assessment Area Five - Phase 2 Bonds Revenue Account which are not otherwise required to be deposited pursuant to this Section shall be retained therein and applied on subsequent dates for the purposes and in the priority set forth above.

#### SECTION 4.03      Prepayments; Removal of Special Assessment Liens.

(a) Subject to and in accordance with the Assessment Resolutions, the owner of property subject to the Assessment Area Five - Phase 2 Bonds Special Assessments may, at its option, prepay all or a portion of the Assessment Area Five - Phase 2 Bonds Special Assessments by paying to the Issuer the amount of such Assessment Area Five - Phase 2 Bonds Special Assessments, plus accrued interest to the next succeeding Quarterly Redemption Date (or the second succeeding Quarterly Redemption Date if such prepayment is made within 45 calendar days before a Quarterly Redemption Date). The amount of the Assessment Area Five - Phase 2 Bonds Special Assessments so prepaid (excluding the interest portion) shall constitute Assessment Area Five - Phase 2 Bond Prepayment Principal, as directed in writing by the Issuer pursuant to the provisions of Section 4.01(g)(ii) of this Seventh Supplemental Indenture. In the event the amount in the Assessment Area Five - Phase 2 Bonds Debt Service Reserve Account will exceed the Debt Service Reserve Requirement for the Assessment Area Five - Phase 2 Bonds as a result of such prepayment and the resulting redemption in accordance with Section 3.01(b)(i) of this Seventh Supplemental Indenture of Assessment Area Five - Phase 2 Bonds, the excess amount shall be transferred from the Debt Service Reserve Account to the Assessment Area Five - Phase 2 Bonds Prepayment Subaccount, as a credit against the Assessment Area Five - Phase 2 Bond Prepayment Principal otherwise required to be paid by the owner of such lot or parcel, upon written instructions of the Issuer.

(b) Upon receipt of an Assessment Area Five - Phase 2 Bond Prepayment as described in paragraph (a) above, subject to satisfaction of the conditions set forth therein, the Issuer shall immediately pay the amount so received to the Trustee, and the Issuer shall take such

action as is necessary to reduce, or release and extinguish the related Assessment Area Five - Phase 2 Bonds Special Assessments, as the case may be, in accordance with the Assessment Resolutions and as otherwise provided by law. Upon receipt of any such moneys from the Issuer the Trustee shall immediately deposit (i) the Assessment Area Five - Phase 2 Bonds Principal Prepayment into the Assessment Area Five - Phase 2 Bonds Prepayment Subaccount to be applied in accordance with Section 4.01(g)(ii) of this Seventh Supplemental Indenture to the redemption of Assessment Area Five - Phase 2 Bonds in accordance with Section 3.01(b)(i) of this Seventh Supplemental Indenture, and (ii) the interest portion of such Assessment Area Five - Phase 2 Bond Prepayment into the Assessment Area Five - Phase 2 Bonds Interest Account to be applied in accordance with Section 6.04 of the Master Indenture to pay interest on Assessment Area Five - Phase 2 Bonds upon redemption.

(c) In addition to the Assessment Area Five - Phase 2 Bond Prepayments described in paragraph (a) above, any landowner or any Person, on behalf of such landowner, may present to the Issuer, Assessment Area Five - Phase 2 Bonds purchased in the open market for cancellation and such cancellation of such purchased Assessment Area Five - Phase 2 Bonds shall constitute an optional prepayment of the Assessment Area Five - Phase 2 Bonds Special Assessments as provided in this paragraph. Except as provided in the next succeeding sentence, such landowner shall receive the benefit of a reduction, in whole or in part, of the lien of the Assessment Area Five - Phase 2 Bonds Special Assessments levied by the Issuer against the lands of such landowner equal to principal amount of the principal amount of Assessment Area Five - Phase 2 Bonds so surrendered. The landowner may designate the specific lots or parcels to which such reduction shall apply. If the Assessment Area Five - Phase 2 Bonds Debt Service Reserve Account would exceed the Debt Service Reserve Requirement for the remaining Outstanding Assessment Area Five - Phase 2 Bonds as a result of such optional prepayment described in this paragraph (c), such excess amount shall be applied for the partial extraordinary redemption of the Assessment Area Five - Phase 2 Bonds Outstanding after such cancellation pursuant to Section 3.01(b)(i) hereof.

SECTION 4.04 Power to Issue Assessment Area Five - Phase 2 Bonds and Create Lien. The Issuer is duly authorized under the Act and all applicable laws of the State to issue the Assessment Area Five - Phase 2 Bonds, to execute and deliver the Indenture and to pledge the Assessment Area Five - Phase 2 Bonds Pledged Revenues for the benefit of the Assessment Area Five - Phase 2 Bonds to the extent set forth herein. The Assessment Area Five - Phase 2 Bonds Pledged Revenues are not and shall not be subject to any other lien senior to or on a parity with the lien created in favor of the Assessment Area Five - Phase 2 Bonds, except for Bonds issued to refund all or a portion of the Assessment Area Five - Phase 2 Bonds. The Assessment Area Five - Phase 2 Bonds and the provisions of the Indenture are and will be valid and legally enforceable obligations of the Issuer in accordance with their respective terms. The Issuer shall, at all times, to the extent permitted by law, defend, preserve and protect the pledge created by the Indenture and all the rights of the Owners of the Assessment Area Five - Phase 2 Bonds under the Indenture against all claims and demands of all persons whomsoever.

SECTION 4.05 Assessment Area Five - Phase 2 Project to Conform to Plans and Specifications; Changes. The Issuer will proceed to complete the Assessment Area Five - Phase 2 Project in accordance with the plans and specifications therefor, as such plans and specifications may be amended by the Issuer from time to time; provided that prior to any such

amendment of the plans and specifications for the Assessment Area Five - Phase 2 Project, the Consulting Engineer shall have delivered its certificate approving the proposed amendment to such plans and specifications.

[End of Article IV]

**ARTICLE V**  
**ASSESSMENTS COVENANTS AND PROVISIONS**

SECTION 5.01      Additional Covenant Regarding Assessment Area Five - Phase 2 Bonds Special Assessments. In addition, and not in limitation of, the covenants contained elsewhere in this Seventh Supplemental Indenture and in the Master Indenture, the Issuer covenants to comply with the terms of the proceedings heretofore adopted with respect to the Assessment Area Five - Phase 2 Bonds Special Assessments, including the assessment methodology reports, prepared by Rizzetta & Company (collectively, the "Assessment Methodology Reports"), and to levy the Assessment Area Five - Phase 2 Bonds Special Assessments and any required true up payments as set forth in the Assessment Methodology Reports, in such manner as will generate funds sufficient to pay the principal of and interest on the Assessment Area Five - Phase 2 Bonds, when due.

SECTION 5.02      Collection of Assessments. Pursuant to Section 9.04 of the Master Trust Indenture and subject to the Issuer entering into a Property Appraiser and Tax Collector Agreement, Assessment Area Five - Phase 2 Bonds Special Assessments levied on platted lots and pledged hereunder to secure the Assessment Area Five - Phase 2 Bonds will be collected pursuant to the uniform method for the levy, collection and enforcement of special assessments afforded by Sections 197.3631, 197.3632 and 197.3635, Florida Statutes, as amended, provided, however, that notwithstanding Section 9.04 or Section 9.05 of the Master Indenture, the Issuer may, and shall at the written direction of the Majority Owners, directly collect Assessment Area Five - Phase 2 Bonds Special Assessments on any lands as to which there are delinquent Assessment Area Five - Phase 2 Bonds Special Assessments and pursue foreclosure pursuant to the provisions of Section 170.10, Florida Statutes, in the same method now or hereafter provided by law for the foreclosure of mortgages on real estate, or pursuant to the provisions of Chapter 173, Florida Statutes, and Sections 190.026 and 170.10, Florida Statutes, or otherwise as provided by law.

SECTION 5.03      Additional Matters Relating to Delinquent Assessments.

(a) Notwithstanding anything herein or in the Master Indenture to the contrary, the following provisions shall apply with respect to the Assessment Area Five - Phase 2 Bonds Special Assessments and Assessment Area Five - Phase 2 Bonds: If any property shall be offered for sale at a foreclosure sale for the nonpayment of any Assessment Area Five - Phase 2 Bonds Special Assessments, and no person or persons shall purchase such property for an amount equal to the full amount due on the Assessment Area Five - Phase 2 Bonds Special Assessments (principal, interest, penalties and costs, plus attorneys' fees, if any), the Issuer, after receiving the written consent of the Trustee, acting at the direction of the Majority Owners of the Assessment Area Five - Phase 2 Bonds Outstanding, specifying whether the Issuer is to take title to the property in its corporate name or in the name of a special purpose entity, may purchase the property for an amount less than or equal to the balance due on the Assessment Area Five - Phase 2 Bonds Special Assessments (principal, interest, penalties and costs, plus attorneys' fees, if any), from any legally available funds of the Issuer or by credit bidding any final foreclosure judgment and the Issuer shall receive in its corporate name or in the

name of a special-purpose entity title to the property for the benefit of the Owners of the Assessment Area Five - Phase 2 Bonds and the Issuer, in its proportionate share, to the extent that operation and maintenance assessments were also subject to the foreclosure resulting in such foreclosure sale. The Issuer, either through its own actions, or actions caused to be taken by the Issuer through the Trustee (acting at the written direction of the Majority Owners of the Assessment Area Five - Phase 2 Bonds Outstanding and being indemnified to its satisfaction), shall have the power to and shall lease or sell such property, and deposit all the net proceeds of any such lease or sale into the Assessment Area Five - Phase 2 Revenue Account (less the proportionate amount the Issuer may be due from the foreclosure of any operation and maintenance assessments). The Issuer, either through its own actions, or actions caused to be taken by the Issuer through the Trustee (acting at the written direction of the Majority Owners of the Assessment Area Five - Phase 2 Bonds Outstanding and being indemnified to its satisfaction), agrees that it shall, after being provided assurances satisfactory to it of payment of its fees, costs and expenses for doing so, be required to take the measures provided by law for listing for sale of property acquired by it as trustee for the Owners of the Assessment Area Five - Phase 2 Bonds within sixty (60) days after the receipt of the request therefor signed by the Trustee, acting at the written direction of the Majority Owners of the Assessment Area Five - Phase 2 Bonds Outstanding. The Issuer may pay costs associated with any actions taken by the Issuer or the Trustee pursuant to this paragraph from any moneys legally available for such purpose held under the Indenture, provided such action does not adversely impact the tax-exempt status of the interest on the Assessment Area Five - Phase 2 Bonds.

(b) Notwithstanding anything to the contrary herein or in the Master Indenture, the Issuer acknowledges and agrees that (i) upon failure of any property owner to pay when due any installment of Assessment Area Five - Phase 2 Bonds Special Assessments that are billed directly by the Issuer, the entire Assessment Area Five - Phase 2 Bonds Special Assessments levied on the property for which such installment of Assessment Area Five - Phase 2 Bonds Special Assessments is due and unpaid, with interest and penalties thereon, shall immediately become due and payable as provided by applicable law and, with the written consent of the Trustee, acting at the direction of the Majority Owners of the Assessment Area Five - Phase 2 Bonds Outstanding, the Issuer shall promptly, but in any event within one hundred twenty (120) days of the receipt of such consent, cause to be brought the necessary legal proceedings for the foreclosure of liens of the delinquent Assessment Area Five - Phase 2 Bonds Special Assessments, including interest and penalties and (ii) unless some alternative resolution to such proceedings is agreed to with the Trustee and the Majority Owners' consent, the foreclosure proceedings shall be prosecuted to a sale and conveyance of the property involved in said proceedings as now provided by law in suits to foreclose mortgages.

(c) For the avoidance of doubt and notwithstanding anything to the contrary herein, the Trustee shall only be required to act under this Section 5.03 to the extent it receives timely written directions upon which it may conclusively rely from the Majority Owners and has been indemnified to its satisfaction.

SECTION 5.04      Additional Matters Relating to Assessment Area Five - Phase 2 Bonds Special Assessments and Assessment Proceedings. The Issuer covenants and agrees that upon the occurrence and continuance of an Event of Default with respect to the Assessment Area Five - Phase 2 Bonds, it will take such actions to enforce the remedial provisions of the Indenture, the provisions for the collection of delinquent Assessment Area Five - Phase 2 Bonds Special Assessments that are directly billed and collected by the Issuer, as well as delinquent direct billed operation and maintenance assessments, and the provisions for the foreclosure of liens of delinquent assessments that are directly billed and collected by the Issuer, as well as delinquent direct billed operation and maintenance assessments, all in a manner consistent with the Master Indenture and this Seventh Supplemental Indenture. All Assessment Area Five - Phase 2 Bonds Special Assessments that are billed and collected directly by the Issuer shall be due and payable by the applicable landowner no later than thirty (30) days prior to each Interest Payment Date and shall become delinquent thereafter.

SECTION 5.05      Provisions relating to Bankruptcy or Insolvency of Taxpayers.

(a)      The provisions of this Section 5.05 shall be applicable both before and after the commencement, whether voluntary or involuntary, of any case, proceeding or other action by or against any owner of any tax parcel subject to at least twenty percent (20%) of the Assessment Area Five - Phase 2 Bonds Special Assessments pledged to the Assessment Area Five - Phase 2 Bonds Outstanding (an "Insolvent Taxpayer") under any existing or future law of any jurisdiction relating to bankruptcy, insolvency, reorganization, assignment for the benefit of creditors, or relief of debtors (a "Proceeding").

(b)      The Issuer acknowledges and agrees that, although the Assessment Area Five - Phase 2 Bonds were issued by the Issuer, the Owners of the Assessment Area Five - Phase 2 Bonds are categorically the party with the ultimate financial stake in the transaction and, consequently, the party with a vested and pecuniary interest in a Proceeding. In the event of any Proceeding involving an Insolvent Taxpayer:

(i)      the Issuer hereby agrees that it shall seek to secure the written consent of the Trustee, acting at the direction of the Majority Owners of the Assessment Area Five - Phase 2 Bonds Outstanding, prior to making any election, giving any consent, commencing any action or filing any motion, claim, obligation, notice or application or in taking any other action or position in any Proceedings or in any action related to a Proceeding that affects, either directly or indirectly, the Assessment Area Five - Phase 2 Bonds Special Assessments relating to the Assessment Area Five - Phase 2 Bonds Outstanding, the Outstanding Assessment Area Five - Phase 2 Bonds or any rights of the Trustee under the Indenture (provided, however, Trustee shall be deemed to have consented, on behalf of the Majority Owners of the Assessment Area Five - Phase 2 Bonds Outstanding, to the proposed action if the Issuer does not receive a written response from the Trustee within thirty (30) days following receipt by the Trustee of the written request for consent);



(ii) the Issuer hereby agrees that it shall not make any election, give any consent, commence any action or file any motion, claim, obligation, notice or application or take any other action or position in any Proceeding or in any action related to a Proceeding that affects, either directly or indirectly, the Assessment Area Five - Phase 2 Bonds Special Assessments relating to the Assessment Area Five - Phase 2 Bonds Outstanding, the Assessment Area Five - Phase 2 Bonds Outstanding or any rights of the Trustee under the Indenture that are inconsistent with any written consent received (or deemed received) from the Trustee;

(iii) the Issuer hereby agrees that it shall seek the written consent of the Trustee prior to filing and voting in any such Proceeding (provided, however, Trustee shall be deemed to have consented, on behalf of the Majority Owners of the Assessment Area Five - Phase 2 Bonds Outstanding, to the proposed action if the Issuer does not receive a written response from the Trustee within thirty (30) days following receipt by the Trustee of the written request for consent);

(iv) the Trustee shall have the right, by interpleader or otherwise, to seek or oppose any relief in any such Proceeding that the Issuer, as claimant with respect to the Assessment Area Five - Phase 2 Bonds Special Assessments relating to the Assessment Area Five - Phase 2 Bonds Outstanding would have the right to pursue, and, if the Trustee chooses to exercise any such rights, the Issuer shall not oppose the Trustee in seeking to exercise any and all rights and taking any and all actions available to the Issuer in connection with any Proceeding of any Insolvent Taxpayer, including without limitation, the right to file and/or prosecute and/or defend any claims and proofs of claims, to vote to accept or reject a plan, to seek dismissal of the Proceeding, to seek stay relief to commence or continue foreclosure or pursue any other available remedies as to the Assessment Area Five - Phase 2 Bonds Special Assessments relating the Assessment Area Five - Phase 2 Bonds Outstanding, to seek substantive consolidation, to seek to shorten the Insolvent Taxpayer's exclusivity periods or to oppose any motion to extend such exclusivity periods, to oppose any motion for use of cash collateral or for authority to obtain financing, to oppose any sale procedures motion or any sale motion, to propose a competing plan of reorganization or liquidation, or to make any election under Section 1111(b) of the Bankruptcy Code; and

(v) The Issuer shall not challenge the validity or amount of any claim submitted in good faith in such Proceeding by the Trustee or any valuations of the lands owned by any Insolvent Taxpayer submitted in good faith by the Trustee in such Proceedings or take any other action in such Proceedings, which is adverse to Trustee's enforcement or the Issuer's claim and rights with respect to the Assessment Area Five - Phase 2 Bonds Special Assessments relating to the Assessment Area Five - Phase 2 Bonds Outstanding or receipt of adequate protection (as that term is defined in the Bankruptcy Code). Without limiting the generality of the foregoing, the Issuer agrees that the Trustee shall have the right (i) to file a proof of claim with respect to the Assessment Area Five - Phase 2 Bonds Special Assessments pledged to the Assessment Area Five - Phase 2 Bonds

Outstanding, (ii) to deliver to the Issuer a copy thereof, together with evidence of the filing with the appropriate court or other authority, and (iii) to defend any objection filed to said proof of claim.

(c) Notwithstanding the provisions of the immediately preceding paragraphs, nothing in this Section shall preclude the Issuer from becoming a party to a Proceeding in order to enforce a claim for operation and maintenance Assessments, and the Issuer shall be free to pursue such claim in such manner as it shall deem appropriate in its sole and absolute discretion. Any actions taken by the Issuer in pursuance of its claim for operation and maintenance Assessments in any Proceeding shall not be considered an action adverse or inconsistent with the Trustee's rights or consents with respect to the Assessment Area Five - Phase 2 Bonds Special Assessments relating to the Assessment Area Five - Phase 2 Bonds Outstanding whether such claim is pursued by the Issuer or the Trustee; provided, however, that the Issuer shall not oppose any relief sought by the Trustee under the authority granted to the Trustee in clause (b)(iv) above.

(d) Notwithstanding anything herein to the contrary, the Trustee shall only act in connection with a Proceeding upon timely written direction of the Majority Owners, upon which the Trustee may conclusively rely, together with indemnity satisfactory to the Trustee sufficient to cover any fees, costs and expenses (including attorney's fees, costs and expenses) of the Trustee or that may be incurred by the Trustee in connections with such Proceeding. The Trustee shall have no liability for any failure to act with respect to any Proceeding if it does not receive such written direction and indemnity in a sufficiently timely manner in order for the Trustee to meet any deadline, applicable to such Proceeding and the Trustee shall be entitled to all of the rights and protections granted to it under Article XI of the Master Indenture regardless of whether there exists an Event of Default. The Issuer shall notify a Responsible Officer of the Trustee in writing (the "Bankruptcy Notice") within 10 Business Days from the day it obtains knowledge of any Proceeding. In addition to giving notice of the Proceeding in reasonable detail, the Bankruptcy Notice shall also specifically reference this Section 5.05(d). In the event that the Trustee receives any moneys as the result of a Proceeding, the Trustee shall first reimburse any of its outstanding fees and/or the fees, costs and expenses incurred in connection with the Proceedings (including attorney's fees, costs and expenses) prior to otherwise distributing such moneys.

SECTION 5.06      Adjustment of Special Assessments upon Prepayment of Bonds From Proceeds Prior to Completion Funds transferred from the Assessment Area Five - Phase 2 Bonds Acquisition and Construction Account for any reason and applied to the redemption of the Assessment Area Five - Phase 2 Bonds shall be credited against the Assessment Area Five - Phase 2 Bonds Special Assessments in accordance with Section 170.08, Florida Statutes. If the Assessment Area Five - Phase 2 Project has been completed in accordance the original description thereof and all residential homesites are developed with infrastructure as contemplated, such credits shall be pro rata to all the assessed lands. If, however, the Assessment Area Five - Phase 2 Project has not been completed, such credits shall be allocated to properly apportion the burden of the Assessment Area Five - Phase 2 Bonds Special Assessments paid in accordance with the benefits actually received, thus eliminating or reducing the Assessment Area Five - Phase 2 Bonds Special Assessments on lands, if any, not



fully or proportionately benefiting from the uncompleted portion of the Assessment Area Five - Phase 2 Project (the "Revised Assessment Area Five - Phase 2 Project"). Before taking action to reallocate the Assessment Area Five - Phase 2 Bonds Special Assessments based upon the Revised Assessment Area Five - Phase 2 Project, the Consulting Engineer shall provide to the Issuer, Majority Owners and Trustee a certified opinion of the final scope and cost of the Revised Assessment Area Five - Phase 2 Project (the "Engineer's Certificate"). The Majority Owners shall have thirty (30) days to review the Engineer's Certificate. In the event that the Majority Owners dispute the Engineer's Certificate, the Issuer and Majority Owners shall use good faith best efforts to resolve such dispute. If the Issuer and Majority Owners are unable to resolve any such dispute, the Issuer and Majority Owners agree to jointly select a third-party engineer and/or assessment consultant whose decision as to such dispute shall be binding for purposes of reallocating the Assessment Area Five - Phase 2 Bonds Special Assessments.

**ARTICLE VI**  
**LIMITATION ON ADDITIONAL BONDS**

SECTION 6.01      Limitation on Additional Bonds.

(a) Other than Bonds issued to refund a portion of Outstanding Assessment Area Five - Phase 2 Bonds, the issuance of which as determined by the Issuer results in present value debt service savings, the Issuer shall not issue or incur any debt payable in whole or in part from the Assessment Area Five - Phase 2 Bonds Pledged Revenues.

(b) The Issuer shall not issue any Bonds or other debt obligations (the "Additional Bonds") secured by Special Assessments on any of the lands subject to the Assessment Area Five - Phase 2 Special Assessments until the Assessment Area Five - Phase 2 Bonds Special Assessments have been Substantially Absorbed.

(c) The provisions of the preceding Subsection (b) shall not apply to any Bonds or other debt obligations secured by Special Assessments on properties other than the lands subject to the Assessment Area Five - Phase 2 Special Assessments. Further, notwithstanding such restriction, the District may issue Bonds secured by Special Assessments on the lands subject to the Assessment Area Five - Phase 2 Special Assessments for the health, safety or welfare of the District's residents or for the repair of the District facilities or with the consent of the Majority Owners.

(d) Prior to the delivery of any such Additional Bonds or other debt obligations, the Trustee shall receive a certificate from the District Manager on which it may conclusively rely that all of the applicable conditions set forth above have been met.

**ARTICLE VII**  
**CONCERNING THE TRUSTEE**

SECTION 7.01      Acceptance by Trustee. The Trustee accepts the trusts declared and provided in this Seventh Supplemental Indenture and agrees to perform such trusts upon the terms and conditions set forth in the Master Indenture as modified by this Seventh Supplemental Indenture.

SECTION 7.02      Limitation of Trustee's Responsibility. The Trustee shall not be responsible in any manner for the due execution of this Seventh Supplemental Indenture by the Issuer or for the recitals contained herein, all of which are made solely by the Issuer.

SECTION 7.03      Trustee's Duties. Nothing contained herein shall limit the rights, benefits, privileges, protection and entitlements inuring to the Trustee under the Master Indenture, including, particularly, Article XI thereof, all of which shall apply to the actions of the Trustee under this Seventh Supplemental Indenture.

SECTION 7.04      Brokerage Confirmations. The Issuer acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Issuer the right to receive individual confirmations of security transactions at no additional cost, as they occur, the Issuer specifically waives receipt of such confirmations to the extent permitted by law. The Trustee will furnish the Issuer periodic cash transaction statements that include detail for all investment transactions made by the Trustee hereunder.

**ARTICLE VIII**  
**MISCELLANEOUS PROVISIONS**

SECTION 8.01 Interpretation of Supplemental Indenture. This Seventh Supplemental Indenture amends and supplements the Master Indenture with respect to the Assessment Area Five - Phase 2 Bonds, and all of the provisions of the Master Indenture, to the extent not inconsistent herewith, are incorporated in this Seventh Supplemental Indenture by reference. To the maximum extent possible, the Master Indenture and this Seventh Supplemental Indenture shall be read and construed as one document. To the extent that any of the terms of the Master Indenture conflict with this Seventh Supplemental Indenture, the terms of this Seventh Supplemental Indenture shall control.

SECTION 8.02 Continuing Disclosure Agreement Contemporaneously with the execution and delivery hereof, the Issuer has executed and delivered a Continuing Disclosure Agreement in order to comply with the requirements of Rule 15c2-12 promulgated under the Securities and Exchange Act of 1934. The Issuer covenants and agrees to comply with the provisions of such Continuing Disclosure Agreement; however, as set forth therein, failure to so comply shall not constitute an Event of Default hereunder, but, instead shall be enforceable by mandamus, injunction or any other means of specific performance.

SECTION 8.03 Assignment of Collateral Assignment. The Issuer may assign its rights under the Collateral Assignment to the Trustee for the benefit of the Owners, from time to time, of the Assessment Area Five - Phase 2 Bonds. Such assignment shall not be considered an assumption by the Trustee of any obligations thereunder.

SECTION 8.04 Amendments. Any amendments to this Seventh Supplemental Indenture shall be made pursuant to the provisions for amendment contained in the Master Indenture.

SECTION 8.05 Counterparts. This Seventh Supplemental Indenture may be executed in any number of counterparts, each of which when so executed and delivered shall be an original; but such counterparts shall together constitute but one and the same instrument.

SECTION 8.06 Appendices and Exhibits. Any and all schedules, appendices or exhibits referred to in and attached to this Seventh Supplemental Indenture are hereby incorporated herein and made a part of this Seventh Supplemental Indenture for all purposes.

SECTION 8.07 Payment Dates. In any case in which an Interest Payment Date, redemption date or the maturity date of the Assessment Area Five - Phase 2 Bonds or the date fixed for the redemption of any Assessment Area Five - Phase 2 Bonds shall be other than a Business Day, then payment of interest, principal or Redemption Price need not be made on such date but may be made on the next succeeding Business Day, with the same force and effect as if made on the due date, and no interest on such payment shall accrue for the period after such due date if payment is made on such next succeeding Business Day.

SECTION 8.08      No Rights Conferred on Others. Nothing herein contained shall confer any right upon any Person other than the parties hereto and the Holders of the Assessment Area Five - Phase 2 Bonds.

[End of Article VIII]

IN WITNESS WHEREOF, Veranda Community Development District II has caused this Seventh Supplemental Trust Indenture to be executed by the Chair of its Board of Supervisors and its corporate seal to be hereunto affixed and attested by the Secretary or Assistant Secretary of its Board of Supervisors and U.S. Bank Trust Company, N.A. has caused this Seventh Supplemental Trust Indenture to be executed by one of its Vice Presidents, all as of the day and year first above written.

VERANDA COMMUNITY  
DEVELOPMENT DISTRICT II

[SEAL]

Attest:



Assistant Secretary, Board of Supervisors

By:



Vice Chair, Board of Supervisors

U.S. BANK TRUST COMPANY, N.A., as  
Trustee, Paying Agent and Registrar

By:

Vice President

**EXHIBIT A**

**DESCRIPTION OF ASSESSMENT AREA FIVE - PHASE 2**

[Insert legal description for Veranda Estates Phase 2.]

EXHIBIT B

[FORM OF ASSESSMENT AREA FIVE - PHASE 2 BOND]

RA-01

\$ \_\_\_\_\_

UNITED STATES OF AMERICA

STATE OF FLORIDA

VERANDA COMMUNITY DEVELOPMENT DISTRICT II

(St. Lucie County, Florida)

SPECIAL ASSESSMENT REVENUE BOND, SERIES 2023

(ASSESSMENT AREA FIVE - PHASE 2 - VERANDA ESTATES PROJECT)

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Dated Date</u>	<u>CUSIP</u>
_____%	May 1, 20__	November __, 2023	_____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: \_\_\_\_\_ MILLION \_\_\_\_\_ HUNDRED \_\_\_\_\_ THOUSAND  
DOLLARS

KNOW ALL PERSONS BY THESE PRESENTS that Veranda Community Development District II (the "Issuer"), for value received, hereby promises to pay to the registered owner shown above or registered assigns, on the date specified above, from the sources hereinafter mentioned, upon presentation and surrender hereof (except when this Bond is in book-entry form, in which case presentation shall not be required) at the designated corporate trust office of U.S. Bank Trust Company, N.A. located in Orlando, Florida, as paying agent (said bank and/or any bank or trust company to become successor paying agent being herein called the "Paying Agent"), the principal amount set forth above with interest thereon, at the rate per annum set forth above (subject to adjustment as described herein), payable on the first day of May and November of each year, commencing May 1, 2024. Principal of this Bond is payable at the designated corporate trust office of U.S. Bank Trust Company, N.A. located in Orlando, Florida in lawful money of the United States of America. Interest on this Bond is payable by check or draft of the Paying Agent made payable to the registered owner and mailed to the address of the registered owner as such name and address shall appear on the registry books of the Issuer maintained by U.S. Bank Trust Company, N.A., as Registrar (said Registrar and any successor Registrar being herein called the "Registrar") at the close of business on the fifteenth day of the calendar month preceding each interest payment date or the date on which the principal of this Bond is to be paid (the "Record Date"). Such interest shall be payable from the most recent interest payment date next preceding the date of authentication hereof to which



interest has been paid, unless the date of authentication hereof is a May 1 or November 1 to which interest has been paid, in which case from such date of authentication, or unless the date hereof is prior to May 1, 2024, in which case from November \_\_, 2023, or unless the date of authentication hereof is between a Record Date and the next succeeding interest payment date, in which case from such interest payment date. Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the registered owner on such Record Date and may be paid to the person in whose name this Bond is registered at the close of business on a Special Record Date for the payment of such defaulted interest to be fixed by the Paying Agent, notice whereof shall be given to Bondholders of record as of the fifth (5th) day prior to such mailing, at their registered addresses, not less than ten (10) days prior to such Special Record Date, or may be paid, at any time in any other lawful manner, as more fully provided in the Indenture (defined below). The foregoing notwithstanding, any Owner of Bonds in an aggregate principal amount of at least \$1,000,000 shall be entitled to have interest paid by wire transfer to such Owner to the bank account number on file with the Paying Agent, upon requesting the same in a writing received by the Paying Agent at least fifteen (15) days prior to the relevant Interest Payment Date, which writing shall specify the bank, which shall be a bank within the United States, and bank account number to which interest payments are to be wired. Any such request for interest payments by wire transfer shall remain in effect until rescinded or changed, in a writing delivered by the Owner to the Paying Agent, and any such rescission or change of wire transfer instructions must be received by the Paying Agent at least fifteen (15) days prior to the relevant Interest Payment Date. Notwithstanding the foregoing, while this Bond is held in a book-entry system of registration, the payments hereon shall be made in accordance with the procedures of such book-entry system.

THE BONDS ARE LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY OUT OF THE ASSESSMENT AREA FIVE - PHASE 2 BONDS PLEDGED REVENUES PLEDGED THEREFOR UNDER THE INDENTURE AND NEITHER THE PROPERTY, THE FULL FAITH AND CREDIT, NOR THE TAXING POWER OF THE ISSUER, THE COUNTY, THE STATE, OR ANY POLITICAL SUBDIVISION THEREOF, IS PLEDGED AS SECURITY FOR THE PAYMENT OF THE BONDS, EXCEPT THAT THE ISSUER IS OBLIGATED UNDER THE INDENTURE TO LEVY, AND TO EVIDENCE AND CERTIFY, OR CAUSE TO BE CERTIFIED, FOR COLLECTION, ASSESSMENT AREA FIVE - PHASE 2 BONDS SPECIAL ASSESSMENTS (AS DEFINED IN THE INDENTURE) TO SECURE AND PAY THE BONDS. THE BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE ISSUER, THE COUNTY, THE STATE, OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION.

This Bond is one of an authorized series of Bonds of Veranda Community Development District II (the "Issuer"), a community development district duly created, organized and existing under Chapter 190, Florida Statutes (the Uniform Community Development District Act of 1980), as amended (the "Act") designated as "Veranda Community Development District II (St. Lucie County, Florida) Special Assessment Revenue and Refunding Bonds, Series 2023 (Assessment Area Five - Phase 2 - Veranda Estates Project) (the "Assessment Area Five - Phase 2 Bonds" or the "Bonds"), in the aggregate principal amount of \$ \_\_\_\_\_ of like date, tenor and effect, except as to number. The Assessment Area Five - Phase 2 Bonds are being issued under authority of the laws and Constitution of the State of Florida, including particularly the

Act. Proceeds of the Assessment Area Five - Phase 2 Bonds shall be used (i) to currently refund a portion of the District's outstanding Special Assessment Bonds, Series 2018B (the "Refunded Series 2018B Bonds"), (ii) to pay a portion of the costs of the Assessment Area Five - Phase 2 Project, (iii) to pay interest on the Bonds through May 1, 2024, (iv) to fund the Debt Service Reserve Requirement for the Assessment Area Five - Phase 2 Bonds and (v) to pay a portion of the costs of issuance of the Assessment Area Five - Phase 2 Bonds. The Assessment Area Five - Phase 2 Bonds shall be issued as fully registered Bonds in authorized denominations, as set forth in the Indenture. The Assessment Area Five - Phase 2 Bonds are issued under, and are secured and governed by, a Master Trust Indenture dated as of December 1, 2018 (the "Master Indenture"), by and between the Issuer and the Trustee and a Seventh Supplemental Trust Indenture dated as of November 1, 2023 (the "Seventh Supplemental Indenture"), by and between the Issuer and the Trustee (the Master Indenture and the Seventh Supplemental Indenture together are referred to herein as the "Indenture"), executed counterparts of which are on file at the designated corporate trust office of the Trustee in Orlando, Florida.

Reference is hereby made to the Indenture for the provisions, among others, with respect to the custody and application of the proceeds of the Assessment Area Five - Phase 2 Bonds issued under the Indenture, the operation and application of the Assessment Area Five - Phase 2 Bonds Debt Service Reserve Account and other Funds and Accounts (each as defined in the Indenture) charged with and pledged to the payment of the principal of and interest on the Assessment Area Five - Phase 2 Bonds, the levy, and the evidencing and certifying for collection, of Assessment Area Five - Phase 2 Bonds Special Assessments, the nature and extent of the security for the Assessment Area Five - Phase 2 Bonds, the terms and conditions on which the Assessment Area Five - Phase 2 Bonds are issued and on which refunding Bonds payable from Assessment Area Five - Phase 2 Bonds Pledged Revenues may be issued on a parity herewith, the rights, duties and obligations of the Issuer and of the Trustee under the Indenture, the conditions under which such Indenture may be amended without the consent of the registered owners of Bonds, the conditions under which such Indenture may be amended with the consent of the registered owners of a majority in aggregate principal amount of the Assessment Area Five - Phase 2 Bonds outstanding, and as to other rights and remedies of the registered owners of the Assessment Area Five - Phase 2 Bonds.

The owner of this Bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Indenture or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture.

It is expressly agreed by the owner of this Bond that such owner shall never have the right to require or compel the exercise of the ad valorem taxing power of the Issuer, the County, the State, or any other political subdivision thereof, or taxation in any form of any real or personal property of the Issuer, the County, the State or any other political subdivision thereof, for the payment of the principal of, premium, if any, and interest on this Bond or the making of any other sinking fund and other payments provided for in the Indenture, except for Assessment Area Five - Phase 2 Bonds Special Assessments to be assessed and levied by the Issuer as set forth in the Indenture.

By the acceptance of this Bond, the owner hereof assents to all the provisions of the Indenture.

This Bond is payable from and secured by Assessment Area Five - Phase 2 Bonds Pledged Revenues, as such term is defined in the Indenture, all in the manner provided in the Indenture. The Indenture provides for the levy, and the evidencing and certifying, of non ad valorem assessments in the form of Assessment Area Five - Phase 2 Bonds Special Assessments to secure and pay the Assessment Area Five - Phase 2 Bonds.

The Assessment Area Five - Phase 2 Bonds are subject to redemption prior to maturity in the amounts, at the times and in the manner provided below. All payments of the redemption price of the Assessment Area Five - Phase 2 Bonds shall be made on the dates specified below. If less than all the Assessment Area Five - Phase 2 Bonds of a maturity are to be redeemed, the Assessment Area Five - Phase 2 Bonds or portions of the Assessment Area Five - Phase 2 Bonds to be redeemed shall be selected as provided in the Indenture.

#### Optional Redemption

The Assessment Area Five - Phase 2 Bonds may, at the option of the Issuer, be called for redemption prior to maturity in whole or in part on any date on or after May 1, 20\_\_ (the maturities to be selected by the Issuer and if less than all of a maturity, the Assessment Area Five - Phase 2 Bonds to be selected by a lot), at a Redemption Price of 100% of their principal amount plus accrued interest from the most recent Interest Payment Date to the redemption date.

#### Extraordinary Mandatory Redemption

The Assessment Area Five - Phase 2 Bonds are subject to extraordinary mandatory redemption prior to maturity by the Issuer in whole, on any date, or in part, on any Quarterly Redemption Date, at an extraordinary mandatory redemption price equal to 100% of the principal amount of the Assessment Area Five - Phase 2 Bonds to be redeemed, plus interest accrued to the redemption date, as follows:

- (i) from Assessment Area Five - Phase 2 Bond Prepayment Principal deposited into the Assessment Area Five - Phase 2 Bonds Prepayment Subaccount following the prepayment in whole or in part of Assessment Area Five - Phase 2 Bonds Special Assessments in accordance with the provisions of Section 4.03(a) of the Seventh Supplemental Indenture, including excess moneys transferred from the Assessment Area Five - Phase 2 Bonds Debt Service Reserve Account to the Assessment Area Five - Phase 2 Bonds Prepayment Subaccount resulting from such prepayment pursuant to Section 4.01(f)(ii) of the Seventh Supplemental Indenture.

- (ii) from moneys, if any, on deposit in the Assessment Area Five - Phase 2 Bonds Accounts and Subaccounts in the Assessment Area Five - Phase 2 Bonds Funds and Accounts (other than the Rebate Fund) sufficient to pay and redeem all Assessment Area Five - Phase 2 Bonds Outstanding Bonds and accrued interest thereon to the redemption date or dates in addition to all amounts owed to Persons under the Master Indenture.

(iii) on or after the Completion Date of the Assessment Area Five - Phase 2 Project, by application of moneys remaining in the Assessment Area Five - Phase 2 Bonds Acquisition and Construction Account not reserved by the Issuer for the payment of any remaining part of the Cost of the Assessment Area Five - Phase 2 Project (as specified in a written certificate from the Issuer to the Trustee specifying the amount to be reserved), all of which shall be transferred to the Assessment Area Five - Phase 2 Bonds General Subaccount and credited toward extinguishment of the Assessment Area Five - Phase 2 Bonds Special Assessments in the manner provided by law and the Assessment Resolutions and applied toward the redemption of the Assessment Area Five - Phase 2 Bonds, in accordance with the manner it has credited such excess moneys toward extinguishment of Assessment Area Five - Phase 2 Bonds Special Assessments, which the Issuer shall describe to the Trustee in writing.

(iv) from amounts on deposit in the Assessment Area Five - Phase 2 Bonds Debt Service Reserve Account in excess of the Debt Service Reserve Requirement for the Assessment Area Five - Phase 2 Bonds and transferred to the Assessment Area Five - Phase 2 Bonds General Subaccount in accordance with Section 6.05 of the Master Indenture and Section 4.01(f)(i) of the Seventh Supplemental Indenture to be used for the extraordinary mandatory redemption of the Assessment Area Five - Phase 2 Bonds.

Mandatory Sinking Fund Redemption.

(i) The Assessment Area Five - Phase 2 Bonds maturing on May 1, 20\_\_, are subject to mandatory redemption in part by the District by lot prior to their scheduled maturity from moneys in the Assessment Area Five - Phase 2 Sinking Fund Account established under the Indenture in satisfaction of applicable Sinking Fund Installments at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

Year (May 1)	Principal <u>Amount</u> \$
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\*

\* Maturity.

(ii) The Assessment Area Five - Phase 2 Bonds maturing on May 1, 20\_\_, are subject to mandatory redemption in part by the District by lot prior to their scheduled maturity from moneys in the Assessment Area Five - Phase 2 Sinking Fund Account established under the Indenture in satisfaction of applicable Sinking Fund Installments at the Redemption Price of

100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

Year (May 1)	Principal Amount \$
-----------------	---------------------------

\*

\* Maturity.

(iii) The Assessment Area Five - Phase 2 Bonds maturing on May 1, 20\_\_, are subject to mandatory redemption in part by the District by lot prior to their scheduled maturity from moneys in the Assessment Area Five - Phase 2 Sinking Fund Account established under the Indenture in satisfaction of applicable Sinking Fund Installments at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

Year (May 1)	Principal Amount \$
-----------------	---------------------------

\*

\* Maturity.

(iv) The Assessment Area Five - Phase 2 Bonds maturing on May 1, 20\_\_, are subject to mandatory redemption in part by the District by lot prior to their scheduled maturity from moneys in the Assessment Area Five - Phase 2 Sinking Fund Account established under the Indenture in satisfaction of applicable Sinking Fund Installments at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

Year (May 1)	Principal Amount \$
-----------------	---------------------------

\*

\* Maturity.



(v) Upon any redemption of Assessment Area Five - Phase 2 Bonds other in accordance with scheduled Sinking Fund Installments, the District shall cause to be recalculated and delivered to the Trustee revised Sinking Fund Installments recalculated so as to amortize the Outstanding principal of the Assessment Area Five - Phase 2 Bonds in substantially equal annual installments of principal and interest (subject to rounding to Authorized Denominations of principal) over the remaining term of the Assessment Area Five - Phase 2 Bonds.

#### Notice of Redemption

The Trustee shall cause notice of redemption to be mailed at least thirty (30) but not more than sixty (60) days prior to the date of redemption to all registered owners of Bonds to be redeemed (as such owners appear on the books of the Registrar on the fifth (5th) day prior to such mailing) and to certain additional parties as set forth in the Indenture; provided, however, that failure to mail any such notice or any defect in the notice or the mailing thereof shall not affect the validity of the redemption of the Bonds for which such notice was duly mailed in accordance with the Indenture. If less than all of the Bonds shall be called for redemption, the notice of redemption shall specify the Bonds to be redeemed. On the redemption date, the Bonds called for redemption will be payable at the designated corporate trust office of the Paying Agent and on such date interest shall cease to accrue, such Bonds shall cease to be entitled to any benefit under the Indenture and such Bonds shall not be deemed to be outstanding under the provisions of the Indenture and the owners of such Bonds shall have no rights in respect thereof except to receive payment of the redemption price thereof, provided that if at the time of mailing of notice of redemption or purchase, the Issuer shall not have deposited with the Trustee or Paying Agent moneys sufficient to redeem or purchase all the Bonds called for redemption or purchase, such notice shall state that the redemption is conditional and is subject to the deposit of the redemption or purchase moneys with the Trustee or Paying Agent, as the case may be, not later than the opening of business on the redemption or purchase date, and such notice shall be of no effect unless such moneys are so deposited.

This Bond shall be issued initially pursuant to a book-entry-only system administered by The Depository Trust Company, New York, New York ("DTC"), which shall act as securities depository for the Bonds, with no physical distribution of Bonds to be made. Any provisions of the Indenture or this Bond requiring physical delivery of Bonds shall, under the book-entry-only system, be deemed to be satisfied by a notation on the records maintained by DTC of ownership interests 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"). DTC Participants and Indirect Participants will be responsible for maintaining records with respect to the beneficial ownership interests of individual purchasers of the Bonds ("Beneficial Owners").

This Bond shall initially be issued in the name of Cede & Co. as nominee for DTC, and so long as this Bond is held in book-entry-only form Cede & Co. shall be considered the registered owner for all purposes hereof, including the payment of the principal of and interest on this Bond. Payment to DTC Participants shall be the responsibility of DTC. Payments by DTC Participants to Indirect Participants, and by DTC Participants and Indirect Participants to individual Beneficial Owners shall be the responsibility of DTC Participants and Indirect Participants and not of DTC, the Issuer or the Trustee.

The Issuer shall keep books for the registration of the Bonds at the designated corporate trust office of the Registrar in Orlando, Florida. Except when registration of the Bonds is being maintained pursuant to a book-entry-only system, the Bonds may be transferred or exchanged by the registered owner thereof in person or by his attorney duly authorized in writing only upon the books of the Issuer kept by the Registrar and only upon surrender thereof together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or his duly authorized attorney. In all cases in which the privilege of transferring or exchanging Bonds is exercised, the Issuer shall execute and the Trustee or such other authenticating agent as may be appointed by the Trustee under the Indenture shall authenticate and deliver a new Bond or Bonds in authorized form and in like aggregate principal amount in accordance with the provisions of the Indenture. There shall be no charge for any such exchange or transfer of Bonds, but the Issuer may require payment of a sum sufficient to pay any tax, fee or other governmental charge imposed. Neither the Issuer nor the Registrar shall be required (a) to transfer or exchange Bonds for a period of 15 days next preceding any selection of Bonds to be redeemed or thereafter until after the mailing of any notice of redemption; or (b) to transfer or exchange any Bond called for redemption in whole or in part.

The Issuer, the Trustee, the Paying Agent and the Registrar may deem and treat the person in whose name any Bond shall be registered upon the books kept by the Registrar as the absolute owner thereof (whether or not such Bond shall be overdue and notwithstanding any notation of ownership or other writing thereon made by anyone other than the Issuer, the Trustee, the Paying Agent or the Registrar) for the purpose of receiving payment of or on account of the principal of, premium, if any, and interest on such Bond as the same becomes due, and for all other purposes. All such payments so made to any such registered owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the Issuer, the Trustee, the Paying Agent, nor the Registrar shall be affected by any notice to the contrary.

It is hereby certified and recited that all acts, conditions and things required to exist, to happen, and to be performed, precedent to and in the issuance of this Bond exist, have happened and have been performed in regular and due form and time as required by the laws and Constitution of the State of Florida applicable thereto, including particularly the Act, and that the issuance of this Bond, and of the issue of the Bonds of which this Bond is one, is in full compliance with all constitutional and statutory limitations or provisions.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Indenture until it shall have been authenticated by execution of the Trustee, or such other authenticating agent as may be appointed by the Trustee under the Indenture, of the certificate of authentication endorsed hereon.

IN WITNESS WHEREOF, Veranda Community Development District II has caused this Bond to be signed by the manual signature of the Chairman of its Board of Supervisors and a facsimile of its seal to be imprinted hereon, and attested by the manual signature of the Secretary of its Board of Supervisors, all as of the date hereof.

VERANDA COMMUNITY  
DEVELOPMENT DISTRICT II

By: R. Austin Burr  
Chairman, Board of Supervisors

(SEAL)

Attest:

By:   
Secretary, Board of Supervisors



CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds delivered pursuant to the within mentioned Indenture.

Date of Authentication: \_\_\_\_\_, 20\_\_

U.S. Bank Trust Company, N.A., as Trustee

By: \_\_\_\_\_  
Authorized Officer

## STATEMENT OF VALIDATION

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 St. Lucie County, Florida, rendered on the 17<sup>h</sup> day of September, 2018.

VERANDA COMMUNITY DEVELOPMENT  
DISTRICT II

*R. Austin Burr*  
\_\_\_\_\_  
Vice Chairman

## ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of the within Bond, shall be construed as though they were written out in full according to applicable laws or regulations.

TEN COM as tenants in common  
TEN ENT as tenants by the entireties  
JT TEN as joint tenants with the right of survivorship and not as tenants in common

UNIFORM GIFT MIN ACT - \_\_\_\_\_ Custodian  
(Cust) (Minor)  
under Uniform Gifts to Minors Act  
(State)

Additional abbreviations may also be used though not in the above list.

\*\*\*\*\*

## ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto \_\_\_\_\_ the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints \_\_\_\_\_, attorney to transfer the said Bond on the books of the Issuer, with full power of substitution in the premises.

Dated:

Social Security Number or  
Employer Identification  
Number of Transferee:

Signature guaranteed:

NOTICE: The assignor's signature to this Assignment must correspond with the name as it appears on the face of the within Bond in every particular without alteration or any change whatever.

**EXHIBIT C**  
**FORM OF REQUISITION**

VERANDA COMMUNITY DEVELOPMENT DISTRICT II  
SPECIAL ASSESSMENT REVENUE AND REFUNDING BONDS, SERIES 2023  
(ASSESSMENT AREA FIVE - PHASE 2 - VERANDA ESTATES PROJECT)

The undersigned, a Responsible Officer of Veranda Community Development District II (the "Issuer") hereby submits the following requisition for disbursement under and pursuant to the terms of the Master Trust Indenture from the Issuer to U.S. Bank Trust Company, N.A., as trustee (the "Trustee"), dated as of December 1, 2018, as supplemented by a Seventh Supplemental Trust Indenture, dated as of November 1, 2023 (collectively, the "Indenture"; all capitalized terms used herein shall have the meaning ascribed to such terms in the Indenture):

- (a) Requisition Number:
- (b) Name of Payee:
- (c) Amount Payable:
- (d) Purpose for which paid or incurred (refer also to specific contract if amount is due and payable pursuant to a contract involving progress payments, or, state Costs of issuance, if applicable):
- (e) Fund or Account from which disbursement to be made:  
\$\_\_\_\_\_ from the Assessment Area Five - Phase 2 Bonds Acquisition and Construction Account.  
\$\_\_\_\_\_ from the 2023 AA5 Cost of Issuance Account.

The undersigned hereby certifies that:

- 1. ☐ obligations in the stated amount set forth above have been incurred by the Issuer,  
or  
☐ this requisition is for Costs of Issuance that have not previously been paid;
- 2. each disbursement set forth above is a proper charge against the Assessment Area Five - Phase 2 Bonds Acquisition and Construction Fund or the 2023 AA5 Cost of Issuance Account;
- 3. each disbursement set forth above was incurred in connection with the acquisition and/or construction of the Project; and
- 4. each disbursement represents a Cost of the Project which has not previously been paid.

The undersigned hereby further certifies that there has not been filed with or served upon the Issuer notice of any lien, right to lien, or attachment upon, or claim affecting the right to receive payment of, any of the moneys payable to the Payee set forth above, which has not been released or will not be released simultaneously with the payment hereof.

The undersigned hereby further certifies that such requisition contains no item representing payment on account of any retained percentage which the Issuer is at the date of such certificate entitled to retain.

Attached hereto are originals of the invoice(s) from the vendor of the property acquired or the services rendered with respect to which disbursement is hereby requested.

VERANDA COMMUNITY  
DEVELOPMENT DISTRICT II

By: R. Austin Burr  
Responsible Officer

CONSULTING ENGINEER'S APPROVAL FOR  
NON-COST OF ISSUANCE REQUESTS ONLY

If this requisition is for a disbursement from other than Costs of issuance, the undersigned Consulting Engineer hereby certifies that this disbursement is for a Cost of the Project and is consistent with: (i) the applicable acquisition or construction contract; (ii) the plans and specifications for the portion of the Assessment Area Five - Phase 2 Project with respect to which such disbursement is being made; and (iii) the report of the Consulting Engineer, as such report shall have been amended or modified on the date hereof.

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

# **Exhibit B**

**VERANDA COMMUNITY DEVELOPMENT DISTRICT II  
(CITY OF PORT ST. LUCIE, FLORIDA)**

\$[\_\_\_\_\_] **Special Assessment Revenue and Refunding  
Bonds, Series 2023  
(Assessment Area Three –  
Preserve East Project)**

\$[\_\_\_\_\_] **Special Assessment Revenue and Refunding  
Bonds, Series 2023  
(Assessment Area Five – Phase 2 –  
Veranda Estates Project)**

**BOND PURCHASE CONTRACT**

[\_\_\_\_\_] , 2023

Board of Supervisors  
Veranda Community Development District II  
City of Port St. Lucie, Florida

Board of Supervisors:

FMSbonds, Inc. (the "Underwriter") offers to enter into this Bond Purchase Contract (the "Purchase Contract") with the Veranda Community Development District II (the "District"). The District is located entirely within the incorporated boundaries of the City of Port St. Lucie, Florida (the "City"). This offer of the Underwriter shall, unless accepted by the District, acting through its Board of Supervisors (the "Board"), expire at [5:00 P.M.] prevailing time within the jurisdiction of the District on the date hereof, unless previously withdrawn or extended in writing by the Underwriter. This Purchase Contract shall be binding upon the District and the Underwriter upon execution and delivery. Any capitalized word not defined herein shall have the meaning ascribed thereto in the Preliminary Limited Offering Memorandum (as hereinafter defined). In conformance with Section 218.385, Florida Statutes, as amended, the Underwriter hereby delivers to the District the Disclosure and Truth-In-Bonding Statements attached hereto as Exhibit A.

**1. Purchase and Sale.** Upon the terms and conditions and upon the basis of the representations, warranties and agreements set forth herein, the Underwriter hereby agrees to purchase from the District, and the District hereby agrees to sell and deliver to the Underwriter, all (but not less than all) of the District's: (a) \$[\_\_\_\_\_] Special Assessment Revenue and Refunding Bonds, Series 2023 (Assessment Area Three – Preserve East Project) (the "Assessment Area Three Bonds") and (b) \$[\_\_\_\_\_] Special Assessment Revenue and Refunding Bonds, Series 2023 (Assessment Area Five – Phase 2 – Veranda Estates Project) (the "Assessment Area Five – Phase 2 Bonds" and, together with the Assessment Area Three Bonds, the "Series 2023 Bonds"). The Series 2023 Bonds shall be dated their date of delivery and shall mature on the dates, shall bear interest at the rates, and shall be subject to redemption prior to maturity, all as provided in Exhibit B attached hereto.

The purchase price for the Assessment Area Three Bonds shall be \$[\_\_\_\_\_] (representing the \$[\_\_\_\_\_] aggregate principal amount of the Assessment Area Three Bonds, [plus/less net original issue premium/discount of \$[\_\_\_\_\_] and] less an underwriter's discount of \$[\_\_\_\_\_] ). The purchase price for the Assessment Area Five – Phase 2 Bonds shall be \$[\_\_\_\_\_] (representing the \$[\_\_\_\_\_] aggregate principal amount of the Assessment Area Five – Phase 2 Bonds, [plus/less net original issue premium/discount of \$[\_\_\_\_\_] and] less an underwriter's discount of \$[\_\_\_\_\_] ). Payment of the

purchase price and delivery of the Series 2023 Bonds and the other actions contemplated hereby to take place at the time of such payment and delivery are hereinafter referred to as the "Closing."

**2. The Series 2023 Bonds.** The Series 2023 Bonds are to be issued by the District, a local unit of special-purpose government of the State of Florida (the "State") created pursuant to the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended, any successor statute thereto, the Florida Constitution, and other applicable provisions of law (collectively, the "Act"), and by Ordinance 18-30 enacted by the City Council of the City of Port St. Lucie, Florida, which became effective on July 9, 2018 (the "Ordinance"). The Series 2023 Bonds are secured pursuant to a Master Trust Indenture dated as of December 1, 2018 (the "Master Indenture"), as supplemented with respect to the Assessment Area Three Bonds by a Sixth Supplemental Trust Indenture dated as of [November] 1, 2023 (the "Sixth Supplemental Indenture" and, together with the Master Indenture, the "Assessment Area Three Indenture"), and with respect to the Assessment Area Five – Phase 2 Bonds by a Seventh Supplemental Trust Indenture dated as of [November] 1, 2023 (the "Seventh Supplemental Indenture" and, together with the Master Indenture, the "Assessment Area Five – Phase 2 Indenture") (the Assessment Area Three Indenture and the Assessment Area Five – Phase 2 Indenture being collectively referred to herein as the "Indentures"), each by and between the District and U.S. Bank Trust Company, National Association, as successor trustee (the "Trustee"), and by Resolution No. 2018-32 and Resolution No. 2024-[ ] adopted by the Board on July 17, 2018 and [November 16], 2023, respectively (collectively, the "Bond Resolution"). Prior to and as a condition of the delivery of the Series 2023 Bonds, the Assessment Area Three Special Assessments, constituting the Assessment Area Three Pledged Revenues, and the Assessment Area Five – Phase 2 Special Assessments, constituting the Assessment Area Five – Phase 2 Pledged Revenues, will be levied by the District on those lands within the District specially benefited by the Assessment Area Three Project and the Assessment Area Five – Phase 2 Project, respectively, pursuant to the Assessment Resolutions (as such terms are defined in the Indentures).

**3. Limited Offering; Establishment of Issue Price.** It shall be a condition to the District's obligation to sell and to deliver each of the Series of the Series 2023 Bonds to the Underwriter, and to the Underwriter's obligation to purchase, accept delivery of and pay for the Bonds of such Series of Series 2023 Bonds, that the entire principal amount of the Bonds of such Series of Series 2023 Bonds be issued, sold and delivered by the District and purchased, accepted and paid for by the Underwriter at the Closing and that the District and the Underwriter receive the opinions, documents and certificates described in Section 8(c) hereof.

(a) The Underwriter agrees to assist the District in establishing the issue price of each Series of the the Series 2023 Bonds and shall execute and deliver to the District at Closing an "issue price" or similar certificate, together with the supporting pricing wires or equivalent communications, in the form reasonably satisfactory to Bond Counsel, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the District 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 Bonds of each Series of Series 2023 Bonds.

(b) Except as otherwise set forth in Exhibit B attached hereto, the District will treat the first price at which 10% of each maturity of the Bonds of each Series of Series 2023 Bonds (the "10% test") is sold to the public 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 Purchase Contract, the Underwriter shall report to the District the price or prices at which it has sold to the public each maturity of the Bonds of each Series of the Series 2023 Bonds. If at that time the 10% test has not been satisfied as to any maturity of the Bonds of each Series of Series 2023 Bonds, the Underwriter agrees to promptly report to the District the prices at which it sells the unsold Bonds of such Series of Series 2023 Bonds of that



maturity to the public. That reporting obligation shall continue, whether or not the Closing Date (as defined below) has occurred, until the 10% test has been satisfied as to the Bonds of such Series of Series 2023 Bonds of that maturity or until all Bonds of such Series of Series 2023 Bonds of that maturity have been sold to the public.

(c) The Underwriter confirms that it has offered the Bonds of each Series of Series 2023 Bonds to the public on or before the date of this Purchase Contract at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in Exhibit B attached hereto, except as otherwise set forth therein. Exhibit B also sets forth, as of the date of this Purchase Contract, the maturities, if any, of the Bonds of each Series of Series 2023 Bonds for which the 10% test has not been satisfied and for which the District and the Underwriter agree that the restrictions set forth in the next sentence shall apply, which will allow the District to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the "hold-the-offering-price rule"). So long as the hold-the-offering-price rule remains applicable to any maturity of Bonds of a Series of Series 2023 Bonds, the Underwriter will neither offer nor sell unsold Bonds of such Series of Series 2023 Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

(1) the close of the fifth (5<sup>th</sup>) business day after the sale date; or

(2) the date on which the Underwriter has sold at least 10% of that maturity of Bonds of such Series of Series 2023 Bonds to the public at a price that is no higher than the initial offering price to the public.

The Underwriter shall promptly advise the District when it has sold 10% of that maturity of the Bonds of such Series of Series 2023 Bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5<sup>th</sup>) business day after the sale date.

(d) The Underwriter acknowledges that sales of any Series 2023 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:

(1) "public" means any person other than an underwriter or a related party, and

(2) a purchaser of any of the Series 2023 Bonds is a "related party" to an underwriter if 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

(3) "sale date" means the date of execution of this Purchase Contract is executed by all parties.

**4. Use of Documents.** Prior to the date hereof, the District has caused to be prepared and has provided to the Underwriter a Preliminary Limited Offering Memorandum dated [\_\_\_\_], 2023 (such Preliminary Limited Offering Memorandum, including the cover pages and all appendices thereto, and any amendments and supplements thereto that may be authorized by the District for use with respect to the Series 2023 Bonds, being herein collectively called the "Preliminary Limited Offering Memorandum") of the District related to the Series 2023 Bonds that the District has deemed final as of its date, except for certain permitted omissions (the "Permitted Omissions"), as contemplated by Rule 15c2-12 of the Securities and Exchange Commission ("Rule 15c2-12" or the "Rule") in connection with the limited offering of the Series 2023 Bonds. The Underwriter has reviewed the Preliminary Limited Offering Memorandum prior to the execution of this Purchase Contract. The District has, prior to the date hereof, authorized the Preliminary Limited Offering Memorandum to be circulated and used by the Underwriter in connection with the limited offering of the Series 2023 Bonds. The District shall deliver or cause to be delivered, at its expense, to the Underwriter within seven (7) business days after the date hereof but not later than three (3) days prior to the Closing Date (as defined below) and in sufficient time to allow the Underwriter to comply with all requirements of the Rule and all applicable securities laws and the rules of the Municipal Securities Rulemaking Board (the "MSRB"), a final Limited Offering Memorandum dated [\_\_\_\_], 2023 (such Limited Offering Memorandum, including the cover pages and all appendices thereto, and any amendments and supplements thereto that may be authorized by the District for use with respect to the Series 2023 Bonds being herein collectively called the "Limited Offering Memorandum" and, together with the Preliminary Limited Offering Memorandum, the "Limited Offering Memoranda"). The District hereby ratifies and approves the circulation and use of the Limited Offering Memoranda by the Underwriter.

**5. Definitions.** For purposes hereof, (a) this Purchase Contract, the Indentures, the Series 2023 Bonds, the Continuing Disclosure Agreement to be dated as of the Closing Date, by and among the District, AG EHC II (LEN) Multi State 1, LLC, a Delaware limited liability company (the "Assessment Area Three Landowner"), Veranda St. Lucie Land Holdings, LLC, a Delaware limited liability company (the "Assessment Area Five Landowner" and, together with the Assessment Area Three Landowner, the "Landowners"), and Rizzetta & Company, Incorporated, as dissemination agent (the "Dissemination Agent"), in substantially the form attached to the Limited Offering Memorandum as APPENDIX F thereto (the "Disclosure Agreement") and the DTC Blanket Issuer Letter of Representations entered into by the District, are referred to herein collectively as the "Financing Documents," and (b) [the Completion Agreement by and between the District and the Landowners dated as of the Closing Date (the "Completion Agreement"), the Acquisition Agreement (Series 2023 Bonds) by and between the District and the Landowners dated as of the Closing Date (the "Acquisition Agreement"), the Collateral Assignment and Assumption of Development and Contract Rights Relating to the 2023 Projects in recordable form by and between the District and the Landowners dated as of the Closing Date (the "Collateral Assignment"), the True-Up Agreement (Series 2023 Bonds) in recordable form by and between the District and the Landowners dated as of the Closing Date (the "True-Up Agreement") and the Declaration of Consent in recordable form by the Landowners dated as of the Closing Date (the "Declaration"), are collectively referred to herein as the "Ancillary Agreements."]

**6. Representations, Warranties and Agreements.** The District hereby represents, warrants and agrees as follows:

(a) The Board is the governing body of the District and the District is and will be on the Closing Date duly organized and validly existing as a unit of special-purpose government created pursuant to the Constitution and laws of the State, including, without limitation, the Act;

(b) The District has full legal right, power and authority to: (i) adopt the Bond Resolution and the Assessment Resolutions; (ii) enter into the Financing Documents and Ancillary Agreements to which it is a party; (iii) sell, issue and deliver the Series 2023 Bonds to the

Underwriter as provided herein; (iv) apply the proceeds of the sale of the Series 2023 Bonds for the purposes described in the Limited Offering Memorandum; (v) acknowledge and authorize the use of the Preliminary Limited Offering Memorandum and acknowledge and authorize the use and execution of the Limited Offering Memorandum; and (vi) carry out and consummate the transactions contemplated by the Bond Resolution, the Assessment Resolutions, the Financing Documents, the Ancillary Agreements and the Limited Offering Memoranda, including but not limited to entering into a collection agreement to provide for the collection of the Assessment Area Three Special Assessments and the Assessment Area Five – Phase 2 Special Assessments using the Uniform Method of collection in accordance with the Indentures. The District has complied, and on the Closing Date will be in compliance in all material respects, with the terms of the Act and with the obligations on its part contained in the Bond Resolution, the Assessment Resolutions, the Financing Documents, the Ancillary Agreements to which it is a party and the Series 2023 Bonds;

(c) At meetings of the Board that were or will be duly called and noticed and at which a quorum was or will be present and acting throughout, the Board has duly adopted the Bond Resolution and will, prior to the delivery of the Series 2023 Bonds, have adopted all of the Assessment Resolutions, and the same are and will be in full force and effect and have not been and will not be supplemented, amended, modified or repealed, except as set forth therein. By all necessary official Board action, the District has duly authorized and approved the use and delivery of the Preliminary Limited Offering Memorandum and the execution and delivery of the Financing Documents, the Ancillary Agreements, the Series 2023 Bonds and the Limited Offering Memorandum, has duly authorized and approved the performance by the District of the obligations on its part contained in the Financing Documents, the Ancillary Agreements and the Series 2023 Bonds and the consummation by it of all other transactions contemplated by this Purchase Contract and the Preliminary Limited Offering Memorandum in connection with the issuance of the Series 2023 Bonds. Upon execution and delivery by the District and the Trustee (and assuming the due authorization, execution and delivery of the Indentures by the Trustee), the Indentures will constitute legal, valid and binding obligations of the District, enforceable in accordance with their terms, subject only to applicable bankruptcy, insolvency, and similar laws affecting creditors' rights and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law). Upon execution by the District and the other parties thereto (and assuming the due authorization, execution and delivery of such agreements by the other parties thereto), the Financing Documents and the Ancillary Agreements will constitute the legal, valid and binding obligations of the District, enforceable in accordance with their respective terms, subject only to applicable bankruptcy, insolvency and similar laws affecting creditors' rights and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law);

(d) The District is not in material breach of or material default under any applicable provision of the Act or any applicable constitutional provision or law or, to the best of its knowledge, administrative regulation of the State or the United States of America or any applicable judgment or decree, or any loan agreement, indenture, bond, note, resolution, agreement, or other material instrument to which the District is a party or to which the District or any of its property or assets is otherwise subject, and to the best of its knowledge, no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute a material default or material event of default under any such instrument; and the execution and delivery of the Series 2023 Bonds, the Financing Documents, the Ancillary Agreements and the Limited Offering Memorandum, the delivery of the Preliminary Limited Offering Memorandum and the adoption of the Bond Resolution and the Assessment Resolutions (once all of the Assessment Resolutions are adopted), and compliance with the provisions on the District's part contained therein, will not conflict with or constitute a material breach of or material default under any applicable

constitutional provision, or law, or, to the best of its knowledge, any administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement, or other instrument to which the District is a party or to which the District or any of its property or 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 property or assets of the District or under the terms of any such law, regulation or instrument, except as provided by the Assessment Resolutions, the Series 2023 Bonds and the Indentures. To the best of its knowledge, no event has occurred which is, or with the lapse of time or the giving of notice or both would constitute, an event of default (as therein defined) under the Series 2023 Bonds, the Ancillary Agreements or the Financing Documents;

(e) All authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matters which are required for the due authorization by, or which would constitute a condition precedent to, or the absence of which would materially adversely affect, the due performance by the District of its obligations to issue the Series 2023 Bonds, or under the Series 2023 Bonds, the Bond Resolution, the Assessment Resolutions, the Financing Documents or the Ancillary Agreements have been 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 2023 Bonds;

(f) The descriptions of the Series 2023 Bonds, the Financing Documents, the Ancillary Agreements and the 2023 Projects, to the extent referred to in the Limited Offering Memoranda, conform in all material respects to the Series 2023 Bonds, the Financing Documents, the Ancillary Agreements and the 2023 Projects, respectively;

(g) The Series 2023 Bonds, when issued, executed and delivered in accordance with the Indentures and when delivered to and paid for by the Underwriter at the Closing in accordance with the provisions of this Purchase Contract, will be validly issued and outstanding obligations of the District, entitled to the benefits of the respective Indentures and upon such issuance, execution and delivery of the Series 2023 Bonds, the respective Indentures will provide, for the benefit of the holders from time to time of the Bonds of the related Series of the Series 2023 Bonds, a legally valid and binding pledge of and first lien on the respective Series Pledged Revenues. On the Closing Date, all conditions precedent to the issuance of the Series 2023 Bonds set forth in the respective Indentures will have been complied with or fulfilled;

(h) There is no claim, action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending or, to its best knowledge, threatened against the District: (i) contesting the corporate existence or powers of the Board or the titles of the respective officers of the Board to their respective offices; (ii) affecting or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Series 2023 Bonds or the application of the proceeds of the sale thereof for the purposes described in the Limited Offering Memorandum, or the collection of Assessment Area Three Special Assessments or Assessment Area Five – Phase 2 Special Assessments, or the pledge of and lien on the respective Pledged Revenues pursuant to the Indentures; (iii) contesting or affecting specifically as to the District the validity or enforceability of the Act or any action of the District in any respect relating to the authorization for the issuance of the Series 2023 Bonds, or the authorization of the 2023 Projects, the Bond Resolution, the Assessment Resolutions, the Financing Documents and the Ancillary Agreements to which the District is a party, or the application of the proceeds of the Series 2023 Bonds for the purposes set forth in the Preliminary Limited Offering Memorandum; (iv) contesting

the federal tax status of the Series 2023 Bonds; or (v) contesting the completeness or accuracy of the Limited Offering Memoranda or any supplement or amendment thereto;

(i) To the extent applicable, the District will furnish such information, execute such instruments and take such other action in cooperation with the Underwriter as the Underwriter may reasonably request in order to: (i) qualify the Series 2023 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 (ii) determine the eligibility of the Series 2023 Bonds for investment under the laws of such states and other jurisdictions, and the District will use its best efforts to continue such qualifications in effect so long as required for the initial limited offering and distribution of the Series 2023 Bonds; provided, however, that the District shall not be required to execute a general or special consent to service of process or to qualify to do business in connection with any such qualification or determination in any jurisdiction or register as a broker/dealer;

(j) As of its date (unless an event occurs of the nature described in paragraph (1) of this Section 6) and at all times subsequent thereto, up to and including the Closing Date, the statements and information contained in the Preliminary Limited Offering Memorandum (other than Permitted Omissions) and in the Limited Offering Memorandum are and will be accurate in all material respects for the purposes for which their use is authorized and do not and will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading; provided, however, that no representation is made concerning information contained in the Limited Offering Memoranda under the captions "DESCRIPTION OF THE SERIES 2023 BONDS – Book-Entry Only System," "THE DEVELOPMENT," "THE LANDOWNERS," "TAX MATTERS," "SUITABILITY FOR INVESTMENT," "LITIGATION – The Landowners" and "UNDERWRITING";

(k) If the Limited Offering Memorandum is supplemented or amended pursuant to subsection (1) of this Section 6, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such paragraph) at all times subsequent thereto up to and including the Closing Date, the Limited Offering Memorandum as so supplemented or amended will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that no representation is made concerning information contained in the Limited Offering Memoranda Memorandum under the captions "DESCRIPTION OF THE SERIES 2023 BONDS – Book-Entry Only System," "THE DEVELOPMENT," "THE LANDOWNERS," "TAX MATTERS," "SUITABILITY FOR INVESTMENT," "LITIGATION – The Landowners" and "UNDERWRITING";

(l) If between the date of this Purchase Contract and the earlier of (i) date that is ninety (90) days from the end of the "Underwriting Period" as defined in Rule 15c2-12 or (ii) the time when the Limited Offering Memorandum is available to any person from the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System (but in no event less than twenty-five (25) days following the end of the Underwriting Period), any event shall occur, of which the District has actual knowledge, which might or would cause 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 necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the District shall notify the Underwriter thereof, and, if in the opinion of the Underwriter such event requires the preparation and publication of a supplement or amendment to the Limited Offering Memorandum, the District will at its expense supplement or

amend the Limited Offering Memorandum in a form and in a manner approved by the Underwriter. The end of the Underwriting Period shall be the next business day after the Closing Date;

(m) Since its inception, there has been no material adverse change in the properties, businesses, results of operations, prospects, management or financial or other condition of the District, except as disclosed in the Limited Offering Memoranda, and the District has not incurred liabilities that would materially adversely affect its ability to discharge its obligations under the Bond Resolution, the Assessment Resolutions, the Series 2023 Bonds, the Financing Documents or the Ancillary Agreements, direct or contingent, other than as set forth in or contemplated by the Limited Offering Memoranda;

(n) Except as disclosed in the Limited Offering Memoranda, the District is not now in default and has not been in default at any time after December 31, 1975 in the payment of the principal of or the interest on any governmental security issued or guaranteed by it which would require the disclosure pursuant to Section 517.051, Florida Statutes or Rule 69W-400.003 of the Florida Department of Financial Services;

(o) Except as disclosed in the Limited Offering Memoranda, the District has never failed to comply in any material respect with any continuing disclosure obligations previously undertaken by the District in accordance with the continuing disclosure requirements of the Rule;

(p) Any certificate signed by any official of the District and delivered to the Underwriter will be deemed to be a representation by the District to the Underwriter as to the statements made therein; and

(q) From the date of this Purchase Contract through the Closing Date, the District will not issue any bonds (other than the Series 2023 Bonds), notes or other obligations payable from the Pledged Revenues for any Series of the Series 2023 Bonds.

7. **Closing.** At 10:00 a.m. prevailing time on [\_\_\_\_], 2023 (the "Closing Date") or at such later time as may be mutually agreed upon by the District and the Underwriter, the District will deliver or cause to be delivered to the Underwriter the Series 2023 Bonds in definitive book-entry-only form, duly executed and authenticated, 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 2023 Bonds as set forth in Section 1 hereof, in federal or other immediately available funds to the order of the District. Delivery of the Series 2023 Bonds as aforesaid shall be made pursuant to the FAST system of delivery of The Depository Trust Company, New York, New York, or at such other place as may be mutually agreed upon by the District and the Underwriter. The Series 2023 Bonds shall be typewritten, shall be prepared and delivered as fully registered bonds in book-entry-only form, with one bond for each maturity, registered in the name of Cede & Co. and shall be made available to the Underwriter at least one (1) business day before the Closing Date for purposes of inspection and packaging, unless otherwise agreed by the District and the Underwriter.

8. **Closing Conditions.** The Underwriter has entered into this Purchase Contract in reliance upon the representations, warranties and agreements of the District contained herein, and in reliance upon the representations, warranties and agreements to be contained in the documents and instruments to be delivered on the Closing Date and upon the performance by the District of its obligations hereunder, both as of the date hereof and as of the Closing Date. Accordingly, the Underwriter's obligations under this Purchase Contract are conditioned upon the performance by the District of its obligations to be performed hereunder and under such documents and instruments at or prior to the Closing Date, and are also subject to the following additional conditions:

(a) The representations and warranties of the District contained herein shall be true, complete and correct, on the date hereof and on and as of the Closing Date, as if made on the Closing Date;

(b) At the time of the Closing, the Bond Resolution, the Assessment Resolutions, the Series 2023 Bonds, the Ancillary Agreements and the Financing Documents shall each be in full force and effect in accordance with their respective terms and the Bond Resolution, the Assessment Resolutions, the Indentures and the Limited Offering Memoranda shall not have been supplemented, amended, modified or repealed, except in any such case as may have been agreed to by the Underwriter;

(c) At or prior to the Closing Date, the Underwriter and the District shall have received each of the following:

(1) The Limited Offering Memorandum and each supplement or amendment, if any, thereto, executed on behalf of the District by the Chairperson of the Board or such other authorized member of the Board;

(2) A copy of each of the Bond Resolution and the Assessment Resolutions certified by the Secretary or an Assistant Secretary of the Board under seal as having been duly adopted by the Board of the District and as being in full force and effect;

(3) An executed copy of each of the Financing Documents and the Ancillary Agreements in form acceptable to the Underwriter and its counsel;

(4) The opinion, dated as of the Closing Date and addressed to the District, of Akerman LLP, Bond Counsel, in the form included in the Preliminary Limited Offering Memorandum as APPENDIX B, together with the letter of such counsel, dated as of the Closing Date and addressed to the Underwriter and Trustee, to the effect that the foregoing opinion addressed to the District may be relied upon by the Underwriter and Trustee to the same extent as if such opinion were addressed to them;

(5) The supplemental opinion, dated as of the Closing Date and addressed to the District and the Underwriter, of Akerman LLP, Bond Counsel, in the form annexed as Exhibit C hereto;

(6) The opinion, dated as of the Closing Date and addressed to the District, the Underwriter and the Trustee of Kutak Rock LLP, counsel to the District, in the form annexed as Exhibit D hereto or in form and substance otherwise acceptable to the Underwriter and its counsel;

(7) The opinion, dated as of the Closing Date and addressed to the District, the Trustee and the Underwriter of Lewis, Longman & Walker, P.A., counsel to the Assessment Area Three Landowner, in form and substance acceptable to the Underwriter and its counsel;

(8) The opinion, dated as of the Closing Date and addressed to the District, the Trustee and the Underwriter of Holland & Knight, LLP, counsel for Lennar Homes, LLC, a Florida limited liability company (the "Assessment Area Three Development Manager"), in form and substance acceptable to the Underwriter and its counsel;

(9) The opinion, dated as of the Closing Date and addressed to the District, the Trustee and the Underwriter of Mahoney Law Group, P.A., counsel to the Assessment Area Five Landowner, in form and substance acceptable to the Underwriter and its counsel;

(10) An opinion, dated as of the Closing Date and addressed to the Underwriter, Underwriter's Counsel, the District and Bond Counsel, of counsel to the Trustee, in form and substance acceptable to Bond Counsel, Underwriter, Underwriter's Counsel, and the District;

(11) A customary authorization and incumbency certificate, dated as of the Closing Date, signed by authorized officers of the Trustee;

(12) Certificate of Assessment Area Three Landowner dated as of the Closing Date, in the form annexed as Exhibit E hereto, or otherwise in form and substance satisfactory to Bond Counsel, the Underwriter, Underwriter's counsel and counsel to the District.

(13) Certificate of Assessment Area Three Development Manager dated as of the Closing Date, in the form annexed as Exhibit F hereto, or otherwise in form and substance satisfactory to Bond Counsel, the Underwriter, Underwriter's counsel and counsel to the District.

(14) Certificate of Assessment Area Five Landowner dated as of the Closing Date, in the form annexed as Exhibit G hereto, or otherwise in form and substance satisfactory to Bond Counsel, the Underwriter, Underwriter's counsel and counsel to the District.

(15) A copy of the Ordinance;

(16) A certificate, dated as of the Closing Date, signed by the Chairperson or Vice-Chairperson and the Secretary or an Assistant Secretary of the Board, setting forth that: (i) each of the representations of the District contained herein was true and accurate in all material respects on the date when made, has been true and accurate in all material respects at all times since, and continues to be true and accurate in all material respects on the Closing Date as if made on such date; (ii) the District has performed all obligations to be performed hereunder as of the Closing Date; (iii) except as disclosed in the Limited Offering Memoranda, the District has never been in default as to principal or interest with respect to any obligation issued or guaranteed by the District; (iv) the District agrees to take all reasonable action necessary to use the Uniform Method as the means of collecting the Assessment Area Three Special Assessments and the Assessment Area Five – Phase 2 Special Assessments, as described in the respective Indentures; and (v) the Limited Offering Memorandum (other than the information under the captions "DESCRIPTION OF THE SERIES 2023 BONDS – Book-Entry Only System," "THE DEVELOPMENT," "THE LANDOWNERS," "TAX MATTERS," "SUITABILITY FOR INVESTMENT," "LITIGATION – The Landowners" and "UNDERWRITING," as to which no view need be expressed) as of its date, and as of the date hereof, does not contain any untrue statement of a material fact or omits to state a material fact which should be included therein for the purposes for which the Limited Offering Memoranda is to be used, or which is necessary in order to make the statements contained therein, in the light of the circumstances under which they were made, not misleading;



(17) A customary signature and no litigation certificate, dated as of the Closing Date, signed on behalf of the District by the Chairperson or Vice Chairperson and Secretary or an Assistant Secretary of the Board in form and substance acceptable to the Underwriter and Underwriter's Counsel;

(18) Evidence of compliance by the District with the requirements of Section 189.051, Florida Statutes;

(19) Executed copies of the District's certification as to arbitrage and other matters relative to the tax status of the Series 2023 Bonds under Section 148 of the Internal Revenue Code of 1986, as amended, and a copy of the District's Post Issuance Policies and Procedures;

(20) Executed copy of Internal Revenue Service Form 8038-G relating to the Series 2023 Bonds;

(21) A certificate of the District's consulting engineer, dated as of the Closing Date, in the form annexed as Exhibit H hereto or otherwise in form and substance acceptable to Underwriter and Underwriter's Counsel;

(22) A certificate of the District Manager and Methodology Consultant in the form annexed as Exhibit I hereto or otherwise in form and substance acceptable to Underwriter and Underwriter's Counsel;

(23) Acknowledgments in recordable form by any mortgage holder on lands within Assessment Area Three and Assessment Area Five – Phase 2, if any, as to the superior lien of the Assessment Area Three Special Assessments and the Assessment Area Five – Phase 2 Special Assessments, as applicable, in form and substance acceptable to the Underwriter and Underwriter's Counsel;

(24) Such additional documents as may be required by the Indentures to be delivered as a condition precedent to the issuance of the Series 2023 Bonds;

(25) Evidence of compliance by the District with the requirements of Section 215.84, Florida Statutes;

(26) A certified copy of the final judgment of the Circuit Court in and for St. Lucie County, Florida (the "County"), validating the issuance of Bonds and the certificate of no-appeal;

(27) A certified copy of the Engineer's Report dated [August 27, 2018], as supplemented by [Supplement No. 3 to Engineer's Report, dated \_\_\_\_\_, 2023], prepared by Culpepper and Terpening, Inc. (the "District Engineer");

(28) A certificate of the District whereby the District has deemed the Preliminary Limited Offering Memorandum final as of its date, except for Permitted Omissions, as contemplated by Rule 15c2-12 in connection with the limited offering of the Series 2023 Bonds;

(29) A copy of the Master Special Assessment Allocation Report dated [September 17, 2018], as supplemented by the [Supplemental Special Assessment Allocation Report] dated the date hereof prepared by Rizzetta & Company, Incorporated;

(30) A Declaration of Consent to Jurisdiction of Veranda Community Development District II and to Imposition of Special Assessments executed and delivered by each of the Landowners and any other entity owning any land in Assessment Area Three and Assessment Area Five as of the Closing Date with respect to all real property owned by such entity(ies) within the District which is subject to the Assessment Area Three Special Assessments or the Assessment Area Five – Phase 2 Special Assessments in recordable form and otherwise in form and substance acceptable to the Underwriter, Underwriter's Counsel and counsel to the District;

(31) A certificate of the Dissemination Agent (i) acknowledging its agreement to serve as the initial Dissemination Agent for the District with respect to the Series 2023 Bonds and undertake the obligations of the Dissemination Agent as set forth in the Continuing Disclosure Agreement and (ii) representing that the Dissemination Agent is aware of the continuing disclosure requirements set forth in the Continuing Disclosure Agreement and Rule 15c2-12, (iii) that it has policies and procedures in place to ensure its compliance with its obligations under the Continuing Disclosure Agreement, and (iv) covenanting to comply with the District's continuing disclosure undertakings entered into pursuant to Rule 15c2-12 at all times in the future;

(32) A certificate of the District Manager to the effect that, upon redemption of the Series 2018B Bonds, the lien of the Series 2018B Special Assessments on the lands within Assessment Area Three and Assessment Area Five – Phase 2 will be extinguished; and

(33) Such additional legal opinions, certificates, instruments and other documents as the Underwriter, Underwriter's Counsel, Bond Counsel or counsel to the District may reasonably request to evidence the truth and accuracy, as of the date hereof and as of the Closing Date, of the District's representations and warranties contained herein and of the statements and information contained in the Limited Offering Memoranda and the due performance or satisfaction by the District and the Landowner on or prior to the Closing of all the agreements then to be performed and conditions then to be satisfied by each.

If the District 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 2023 Bonds contained in this Purchase Contract (unless waived by the Underwriter in its sole discretion), or if the obligations of the Underwriter to purchase, to accept delivery of and to pay for the Series 2023 Bonds shall be terminated for any reason permitted by this Purchase Contract, this Purchase Contract shall terminate and neither the Underwriter nor the District shall be under any further obligation hereunder, except that the respective obligations of the District and the Underwriter set forth in Section 10 hereof shall continue in full force and effect.

**9. Termination.** The Underwriter shall have the right to terminate its obligations under this Purchase Contract to purchase, to accept delivery of and to pay for the Series 2023 Bonds by notifying the District of its election to do so if, after the execution hereof and prior to the Closing: (i) legislation shall have been introduced in or enacted by the Congress of the United States or enacted by the State, or legislation pending in the Congress of the United States shall have been amended, or legislation shall have been recommended to the Congress of the United States or otherwise endorsed for passage (by press release,

other form of notice or otherwise) by the President of the United States, the Treasury Department of the United States, the Internal Revenue Service or the Chairperson or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives, or legislation shall have been proposed for consideration by either such committee, by any member thereof, or legislation shall have been favorably reported for passage to either House of Congress of the United States by a committee of such House to which such legislation has been referred for consideration, or a decision shall have been rendered by a court of the United States or the State, including the Tax Court of the United States, or a ruling shall have been made or a regulation shall have been proposed or made or a press release or other form of notice shall have been issued by the Treasury Department of the United States, or the Internal Revenue Service or other federal or State authority, with respect to federal or State taxation upon revenues or other income of the general character to be derived by the District or by any similar body, or upon interest on obligations of the general character of the Series 2023 Bonds, which may have the purpose or effect, directly or indirectly, of materially and adversely affecting the tax status of the District, its property or income, its securities (including the Series 2023 Bonds) or the interest thereon, or any tax exemption granted or authorized by the State or, which in the reasonable opinion of the Underwriter, affects materially and adversely the market for the Series 2023 Bonds, or the market price generally of obligations of the general character of the Series 2023 Bonds; (ii) the District or the Landowners have, without the prior written consent of the Underwriter, offered or issued any bonds, notes or other obligations for borrowed money, or incurred any material liabilities, direct or contingent, or there has been an adverse change of a material nature in the financial position, results of operations or condition, financial or otherwise, of the District, the Landowners, the Development Manager or any Builder, other than in the ordinary course of their respective businesses; (iii) any event shall have occurred or shall exist which, in the reasonable opinion of the Underwriter, would or might cause the information contained in the Limited Offering Memorandum, as then supplemented or amended, to contain any untrue statement of a material fact or 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; or (iv) the District fails to adopt the Assessment Resolutions or fails to perform any action to be performed by it in connection with the levy of the Assessment Area Three Special Assessments and the Assessment Area Five – Phase 2 Special Assessments.

#### **10. Expenses.**

(a) The District agrees to pay, and the Underwriter shall not be obligated to pay, any expenses incident to the performance of the District's obligations hereunder, including, but not limited to: (i) the cost of the preparation and distribution of the Indentures; (ii) the cost of the preparation and printing, if applicable, of the Limited Offering Memoranda and any supplements thereto, together with a reasonable number of copies which the Underwriter may request; (iii) the cost of registering the Series 2023 Bonds in the name of Cede & Co., as nominee of DTC, which will act as securities depository for such Bonds; (iv) the fees and disbursements of counsel to the District, the District Manager, the Dissemination Agent, Bond Counsel, Underwriter's Counsel, the District's methodology consultant, the District Engineer, the Trustee, Trustee's Counsel and any other experts or consultants retained by the District; and (v) the cost of recording in the Official Records of the County any Financing Documents, Ancillary Agreements or other documents or certificates that are required to be recorded pursuant to the terms of this Purchase Contract. It is anticipated that such expenses shall be paid from the proceeds of the Series 2023 Bonds. The District shall submit for recording all documents required to be provided in recordable form hereunder within three business days after the Closing Date, which obligation shall survive the Closing.

(b) The Underwriter agrees to pay all advertising expenses in connection with the Series 2023 Bonds, if any.

**11. No Advisory or Fiduciary Role.** The District acknowledges and agrees that (i) the purchase and sale of the Series 2023 Bonds pursuant to this Agreement is an arm's-length commercial transaction between the District and the Underwriter, (ii) in connection with such transaction and with the discussions, undertakings and processes leading up to such transaction, the Underwriter is and has been acting solely as a principal and not as an advisor (including, without limitation, a Municipal Advisor (as such term is defined in Section 975(e) of the Dodd-Frank Wall Street Reform and Consumer Protection Act)), agent or a fiduciary of the District, (iii) the Underwriter has not assumed an advisory or a fiduciary responsibility in favor of the District with respect to the limited offering of the Series 2023 Bonds or the discussions, undertakings and process leading thereto (whether or not the Underwriter, or any affiliate of the Underwriter, has provided or is currently advising or providing services to the District on other matters) or any other obligation to the District except the obligations expressly set forth in this Agreement, (iv) the Underwriter has financial and other interests that differ from those of the District, (v) the District has consulted with its own legal and financial advisors to the extent it deemed appropriate in connection with the offering of the Series 2023 Bonds, and (vi) the Underwriter has provided to the District prior disclosures under Rule G-17 of the MSRB, which have been received by the District.

**12. Notices.** Any notice or other communication to be given to the District under this Purchase Contract may be given by delivering the same in writing to Rizzetta & Company, Incorporated, 3434 Colwell Ave. Suite 200, Tampa, Florida 33614, and any notice or other communication to be given to the Underwriter under this Purchase Contract may be given by delivering the same in writing to FMSbonds, Inc., 20660 W. Dixie Highway, North Miami Beach, Florida 33180, Attention: Jon Kessler.

**13. Parties in Interest; Survival of Representations.** This Purchase Contract is made solely for the benefit of the District and the Underwriter (including the successors or assigns of the Underwriter) and no other person shall acquire or have any right hereunder or by virtue hereof. All of the District's representations, warranties and agreements contained in this Purchase Contract shall remain operative and in full force and effect and survive the closing on the Series 2023 Bonds, regardless of: (i) any investigations made by or on behalf of the Underwriter and (ii) delivery of and payment for the Series 2023 Bonds pursuant to this Purchase Contract.

**14. Effectiveness.** This Purchase Contract shall become effective upon the execution by the appropriate officials of the District and shall be valid and enforceable at the time of such acceptance. To the extent of any conflict between the provisions of this Purchase Contract and any prior contract between the parties hereto, the provisions of this Purchase Contract shall govern.

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

**16. Amendment.** No modification, alteration or amendment to this Purchase Contract shall be binding upon any party until such modification, alteration or amendment is reduced to writing and executed by all parties hereto.

**17. Governing Law.** This Purchase Contract shall be governed and construed in accordance with the laws of the State.

**18. Counterparts; Facsimile.** This Purchase Contract may be signed in any number of counterparts with the same effect as if the signatures thereto and hereto were signatures upon the same instrument. Facsimile and pdf signatures shall be deemed originals.

[Signature page follows]

Very truly yours,

**FMSBONDS, INC.**

By: \_\_\_\_\_  
Theodore A. Swinarski,  
Senior Vice President - Trading

Accepted and agreed to this  
\_\_\_\_ day of \_\_\_\_\_, 2023.

**VERANDA COMMUNITY DEVELOPMENT DISTRICT II**

By: \_\_\_\_\_  
Graydon E Miars,  
Chairperson, Board of Supervisors

## EXHIBIT A

### DISCLOSURE AND TRUTH-IN-BONDING STATEMENT

[\_\_\_\_], 2023

Board of Supervisors  
Veranda Community Development District II  
City of Port St. Lucie, Florida

Re: Veranda Community Development District II \$[\_\_\_\_\_] Special Assessment Revenue and Refunding Bonds, Series 2023 (Assessment Area Three – Preserve East Project) (the "Assessment Area Three Bonds") and \$[\_\_\_\_\_] Special Assessment Revenue and Refunding Bonds, Series 2023 (Assessment Area Five – Phase 2 – Veranda Estates Project) (the "Assessment Area Five – Phase 2 Bonds" and, together with the Assessment Area Three Bonds, the "Series 2023 Bonds")

Dear Board of Supervisors:

Pursuant to Chapter 218.385, Florida Statutes, and with respect to the issuance of the Series 2023 Bonds, FMSbonds, Inc. (the "Underwriter"), pursuant to a Bond Purchase Contract dated [\_\_\_\_], 2023 (the "Bond Purchase Contract"), between the Underwriter and Veranda Community Development District II (the "District"), furnishes the following disclosures to the District (all capitalized terms used and not otherwise defined herein shall have the meanings assigned to them in the Bond Purchase Contract):

1. The total underwriting discount paid to the Underwriter pursuant to the Bond Purchase Contract for the Assessment Area Three Bonds is approximately \$[\_\_\_\_] per \$1,000.00 or \$[\_\_\_\_\_]. The total underwriting discount paid to the Underwriter pursuant to the Bond Purchase Contract for the Assessment Area Five – Phase 2 Bonds is approximately \$[\_\_\_\_] per \$1,000.00 or \$[\_\_\_\_\_].
2. The names, addresses and estimated amounts of compensation of any person who is not regularly employed by, or not a partner or officer of, the Underwriter, bank, banker, or financial consultant or advisor and who enters into an understanding with either the District or the Underwriter, or both, for any paid or promised compensation or valuable consideration directly, expressly or impliedly, to act solely as an intermediary between the District and the Underwriter for the purposes of influencing any transaction in the purchase of the Series 2023 Bonds are: None.
3. The nature and estimated amounts of expenses to be incurred by the Underwriter in connection with the issuance of the Series 2023 Bonds are set forth in Schedule I attached hereto.
4. The management fee charged by the Underwriter is: \$0/\$1,000 or \$0.
5. Any other fee, bonus or other compensation estimated to be paid by the Underwriter in connection with the Series 2023 Bonds to any person not regularly employed or retained by the Underwriter in connection with the Series 2023 Bonds is as follows: None. GrayRobinson, P.A. has been retained as counsel to the Underwriter and will be compensated by the District from the proceeds of the Series 2023 Bonds.

7. The name and address of the Underwriter is:

FMSbonds, Inc.  
20660 W. Dixie Highway  
North Miami Beach, Florida 33180

The District is proposing to issue \$[ ] aggregate amount of the Assessment Area Three Bonds: (i) to refund a portion of the outstanding Series 2018B Bonds, (ii) to finance a portion of the Cost of acquisition, construction, installation and equipping of the Assessment Area Three Project; (iii) [to pay a portion of the interest coming due on the Assessment Area Three Bonds]; (iv) to pay certain costs associated with the issuance of the Assessment Area Three Bonds; and (v) to fund the Assessment Area Three Debt Service Reserve Account, all as provided in the Assessment Area Three Indenture.

The District is proposing to issue \$[ ] aggregate amount of the Assessment Area Five – Phase 2 Bonds: (i) to currently refund a portion of the outstanding Series 2018B Bonds, (ii) to finance a portion of the Cost of acquisition, construction, installation and equipping of the Assessment Area Five – Phase 2 Project; (iii) to pay a portion of the interest coming due on the Assessment Area Five – Phase 2 Bonds; (iv) to pay certain costs associated with the issuance of the Assessment Area Five – Phase 2 Bonds; and (v) to fund the Assessment Area Five – Phase 2 Debt Service Reserve Account, all as provided in the Assessment Area Five – Phase 2 Indenture.

The debt evidenced by the Assessment Area Three Bonds is expected to be repaid over a period of approximately [ ] ( ) years, [ ] ( ) months, and [ ] ( ) days. [There shall be no more than thirty (30) principal installments.] At the interest rates set out in Exhibit B to this Purchase Contract, total interest paid over the life of the Assessment Area Three Bonds will be \$[ ].

The debt evidenced by the Assessment Area Five – Phase 2 Bonds is expected to be repaid over a period of approximately [ ] ( ) years, [ ] ( ) months, and [ ] ( ) days. [There shall be no more than thirty (30) principal installments.] At the interest rates set out in Exhibit B to this Purchase Contract, total interest paid over the life of the Assessment Area Five – Phase 2 Bonds will be \$[ ].

The source of repayment for the Assessment Area Three Bonds and the Assessment Area Five – Phase 2 Bonds is the Assessment Area Three Special Assessments and the Assessment Area Five – Phase 2 Special Assessments, respectively, imposed and collected by the District. Based solely upon the assumptions set forth in the paragraphs above, (i) the issuance of the Assessment Area Three Bonds will result in \$[ ] (representing the average annual debt service payments due on the Assessment Area Three Bonds) of the Assessment Area Three Special Assessment revenues not being available to the District on an annual basis to finance other services of the District, and (ii) the issuance of the Assessment Area Five – Phase 2 Bonds will result in \$[ ] (representing the average annual debt service payments due on the Assessment Area Five – Phase 2 Bonds) of the Assessment Area Five – Phase 2 Special Assessment revenues not being available to the District on an annual basis to finance other services of the District, provided however, that in the event that the Assessment Area Three Bonds and the Assessment Area Five – Phase 2 Bonds were not issued, the District would not be entitled to impose and collect the Assessment Area Three Special Assessments and the Assessment Area Five – Phase 2 Special Assessments, respectively, in the amount of the principal of and interest to be paid on the Assessment Area Three Bonds and the Assessment Area Five – Phase 2 Bonds, respectively.

[Remainder of page intentionally left blank.]

*[Signature page to Disclosure and Truth in Bonding Statement]*

Sincerely,

**FMSBONDS, INC.**

By: \_\_\_\_\_  
Theodore A. Swinarski,  
Senior Vice President - Trading



## **SCHEDULE I**

### **Expenses for the Assessment Area Three Bonds:**

<u>Expense</u>	<u>Amount</u>
DALCOMP	\$[_____]
Clearance	
CUSIP	
DTC	
FINRA/SIPC	
MSRB	
<u>Electronic Orders</u>	
TOTAL:	\$[_____]

### **Expenses for the Assessment Area Five – Phase 2 Bonds:**

<u>Expense</u>	<u>Amount</u>
DALCOMP	\$[_____]
Clearance	
CUSIP	
DTC	
FINRA/SIPC	
MSRB	
<u>Electronic Orders</u>	
TOTAL:	\$[_____]

## **EXHIBIT B**

### **TERMS OF BONDS**

1. **Purchase Price for the Assessment Area Three Bonds:** \$[ ] (representing the \$[ ] aggregate principal amount of the Assessment Area Three Bonds, [plus/less net original issue premium/discount of \$[ ] and] less an underwriter's discount of \$[ ]).
2. **Purchase Price for the Assessment Area Five – Phase 2 Bonds:** \$[ ] (representing the \$[ ] aggregate principal amount of the Assessment Area Five – Phase 2 Bonds, [plus/less net original issue premium/discount of \$[ ] and] less an underwriter's discount of \$[ ]).
3. **Principal Amounts, Maturities, Interest Rates, Yields and Prices:**

<b>Assessment Area Three Bonds</b>				
Amount	Maturity Date	Rate	Yield	Price

[\*Yield calculated to the first optional call date of May 1, 20\_\_.]

<b>Assessment Area Five – Phase 2 Bonds</b>				
Amount	Maturity Date	Rate	Yield	Price

[\*Yield calculated to the first optional call date of May 1, 20\_\_.]

The Underwriter has offered the Series 2023 Bonds to the public on or before the date of this Purchase Contract at the initial offering prices set forth herein and has sold at least 10% of each maturity of the Series 2023 Bonds to the public at a price that is no higher than such initial offering prices[, except for the following maturities: \_\_\_\_\_].

4. **Redemption Provisions:**

#### **Optional Redemption**

##### Assessment Area Three Bonds

The Assessment Area Three Bonds may, at the option of the District, be called for redemption prior to maturity in whole or in part on any date on or after \_\_\_\_\_ 1, 20\_\_ (the maturities to be selected by the District and if less than all of a maturity, the Assessment Area Three Bonds to be selected as provided in the Master Indenture), at the Redemption Price of 100% of their principal amount plus accrued interest from the most recent Interest Payment Date to the redemption date.

Assessment Area Five – Phase 2 Bonds

The Assessment Area Five – Phase 2 Bonds may, at the option of the District, be called for redemption prior to maturity in whole or in part on any date on or after \_\_\_\_\_ 1, 20\_\_ (the maturities to be selected by the District and if less than all of a maturity, the Assessment Area Five – Phase 2 Bonds to be selected as provided in the Master Indenture), at the Redemption Price of 100% of their principal amount plus accrued interest from the most recent Interest Payment Date to the redemption date.

**Mandatory Sinking Fund Redemption**

Assessment Area Three Bonds

The Assessment Area Three Bonds maturing on May 1, 20\_\_, are subject to mandatory redemption in part by the District by lot prior to their scheduled maturity from moneys in the Assessment Area Three Sinking Fund Account established under the Assessment Area Three Indenture in satisfaction of applicable Sinking Fund Installments at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

Year ( <u>May 1</u> )	Principal <u>Amount</u>
--------------------------	----------------------------

\*

\_\_\_\_\_  
\* Maturity.

The Assessment Area Three Bonds maturing on May 1, 20\_\_, are subject to mandatory redemption in part by the District by lot prior to their scheduled maturity from moneys in the Assessment Area Three Sinking Fund Account established under the Assessment Area Three Indenture in satisfaction of applicable Sinking Fund Installments at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

Year ( <u>May 1</u> )	Principal <u>Amount</u>
--------------------------	----------------------------

\*

\_\_\_\_\_  
\* Maturity.

The Assessment Area Three Bonds maturing on May 1, 20\_\_, are subject to mandatory redemption in part by the District by lot prior to their scheduled maturity from moneys in the Assessment Area Three Sinking Fund Account established under the Assessment Area Three Indenture in satisfaction of applicable

Sinking Fund Installments at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

Year (May 1)	Principal Amount
-----------------	---------------------

\*

\* Maturity.

Upon any redemption of Assessment Area Three Bonds other in accordance with scheduled Sinking Fund Installments, the District shall cause to be recalculated and delivered to the Trustee revised Sinking Fund Installments recalculated so as to amortize the Outstanding principal of the Assessment Area Three Bonds in substantially equal annual installments of principal and interest (subject to rounding to Authorized Denominations of principal) over the remaining term of the Assessment Area Three Bonds.

#### Assessment Area Five – Phase 2 Bonds

The Assessment Area Five – Phase 2 Bonds maturing on May 1, 20\_\_, are subject to mandatory redemption in part by the District by lot prior to their scheduled maturity from moneys in the Assessment Area Five – Phase 2 Sinking Fund Account established under the Assessment Area Five – Phase 2 Indenture in satisfaction of applicable Sinking Fund Installments at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

Year (May 1)	Principal Amount
-----------------	---------------------

\*

\* Maturity.

The Assessment Area Five – Phase 2 Bonds maturing on May 1, 20\_\_, are subject to mandatory redemption in part by the District by lot prior to their scheduled maturity from moneys in the Assessment Area Five – Phase 2 Sinking Fund Account established under the Assessment Area Five – Phase 2 Indenture in satisfaction of applicable Sinking Fund Installments at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

Year (May 1)	Principal Amount
-----------------	---------------------

\*

\* Maturity.

The Assessment Area Five – Phase 2 Bonds maturing on May 1, 20\_\_, are subject to mandatory redemption in part by the District by lot prior to their scheduled maturity from moneys in the Assessment Area Five – Phase 2 Sinking Fund Account established under the Assessment Area Five – Phase 2 Indenture in satisfaction of applicable Sinking Fund Installments at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

Year (May 1)	Principal Amount
-----------------	---------------------

\*

\* Maturity.

Upon any redemption of Assessment Area Five – Phase 2 Bonds other in accordance with scheduled Sinking Fund Installments, the District shall cause to be recalculated and delivered to the Trustee revised Sinking Fund Installments recalculated so as to amortize the Outstanding principal of the Assessment Area Five – Phase 2 Bonds in substantially equal annual installments of principal and interest (subject to rounding to Authorized Denominations of principal) over the remaining term of the Assessment Area Five – Phase 2 Bonds.

### **Extraordinary Mandatory Redemption**

#### Assessment Area Three Bonds

The Assessment Area Three Bonds are subject to extraordinary mandatory redemption prior to maturity by the District in whole, on any date, or in part, on any "Quarterly Redemption Date" (defined as each February 1, May 1, August 1 and November 1), at an extraordinary mandatory Redemption Price equal to 100% of the principal amount of the Assessment Area Three Bonds to be redeemed, plus interest accrued to the redemption date, as follows:

(i) from Assessment Area Three Prepayment Principal deposited into the Assessment Area Three Prepayment Subaccount following the prepayment in whole or in part of Assessment Area Three Special Assessments in accordance with the provisions of the Sixth Supplemental Indenture, including excess moneys transferred from the Assessment Area Three Debt Service Reserve Account to the

Assessment Area Three Prepayment Subaccount resulting from such Assessment Area Three Prepayments pursuant to the Sixth Supplemental Indenture;

(ii) from moneys, if any, on deposit in the Assessment Area Three Accounts and Subaccounts in the Assessment Area Three Funds and Accounts (other than the Rebate Fund) sufficient to pay and redeem all Assessment Area Three Outstanding Bonds and accrued interest thereon to the redemption date or dates in addition to all amounts owed to Persons under the Master Indenture;

(iii) on or after the Completion Date of the Assessment Area Three Project, by application of moneys remaining in the Assessment Area Three Acquisition and Construction Account not reserved by the District for the payment of any remaining part of the Cost of the Assessment Area Three Project (as specified in a written certificate from the District to the Trustee specifying the amount to be reserved), all of which shall be transferred as specified in the Sixth Supplemental Indenture to the Assessment Area Three General Subaccount, credited toward extinguishment of the Assessment Area Three Special Assessments in the manner provided by law and the Assessment Resolutions and applied toward the redemption of the Assessment Area Three Bonds in accordance with the manner it has credited such excess moneys toward extinguishment of Assessment Area Three Special Assessments which the District shall describe to the Trustee in writing; and

(iv) from amounts on deposit in the Assessment Area Three Debt Service Reserve Account in excess of the Debt Service Reserve Requirement for the Assessment Area Three Bonds and transferred to the Assessment Area Three General Subaccount in accordance with the Master Indenture and the Sixth Supplemental Indenture to be used for the extraordinary mandatory redemption of the Assessment Area Three Bonds.

#### Assessment Area Five – Phase 2 Bonds

The Assessment Area Five – Phase 2 Bonds are subject to extraordinary mandatory redemption prior to maturity by the District in whole, on any date, or in part, on any Quarterly Redemption Date, at an extraordinary mandatory Redemption Price equal to 100% of the principal amount of the Assessment Area Five – Phase 2 Bonds to be redeemed, plus interest accrued to the redemption date, as follows:

(i) from Assessment Area Five – Phase 2 Prepayment Principal deposited into the Assessment Area Five – Phase 2 Prepayment Subaccount following the prepayment in whole or in part of Assessment Area Five – Phase 2 Special Assessments in accordance with the provisions of the Seventh Supplemental Indenture, including excess moneys transferred from the Assessment Area Five – Phase 2 Debt Service Reserve Account to the Assessment Area Five – Phase 2 Prepayment Subaccount resulting from such Assessment Area Five – Phase 2 Prepayments pursuant to the Seventh Supplemental Indenture;

(ii) from moneys, if any, on deposit in the Assessment Area Five Accounts and Subaccounts in the Assessment Area Five Funds and Accounts (other than the Rebate Fund) sufficient to pay and redeem all Assessment Area Five Outstanding Bonds and accrued interest thereon to the redemption date or dates in addition to all amounts owed to Persons under the Master Indenture;

(iii) on or after the Completion Date of the Assessment Area Five – Phase 2 Project, by application of moneys remaining in the Assessment Area Five – Phase 2 Acquisition and Construction Account not reserved by the District for the payment of any remaining part of the Cost of the Assessment Area Five – Phase 2 Project (as specified in a written certificate from the District to the Trustee specifying the amount to be reserved), all of which shall be transferred as specified in the Seventh Supplemental Indenture to the Assessment Area Five General Subaccount, credited toward extinguishment of the Assessment Area Five – Phase 2 Special Assessments in the manner provided by law and the Assessment

Resolutions and applied toward the redemption of the Assessment Area Five – Phase 2 Bonds in accordance with the manner it has credited such excess moneys toward extinguishment of Assessment Area Five – Phase 2 Special Assessments which the District shall describe to the Trustee in writing; and

(iv) from amounts on deposit in the Assessment Area Five – Phase 2 Debt Service Reserve Account in excess of the Debt Service Reserve Requirement for the Assessment Area Five – Phase 2 Bonds and transferred to the Assessment Area Five General Subaccount in accordance with the Master Indenture and the Seventh Supplemental Indenture to be used for the extraordinary mandatory redemption of the Assessment Area Five – Phase 2 Bonds.

## **EXHIBIT C**

### **BOND COUNSEL'S SUPPLEMENTAL OPINION**

[\_\_\_\_], 2023

Veranda Community Development District II  
City of Port St. Lucie, Florida

FMSbonds, Inc.  
North Miami Beach, Florida

Re: Veranda Community Development District II \$[\_\_\_\_] Special Assessment Revenue and Refunding Bonds, Series 2023 (Assessment Area Three – Preserve East Project) and \$[\_\_\_\_] Special Assessment Revenue and Refunding Bonds, Series 2023 (Assessment Area Five – Phase 2 – Veranda Estates Project)

Ladies and Gentlemen:

We have acted as Bond Counsel to the Veranda Community Development District II (the "District"), a community development district established and existing pursuant to Chapter 190 of the Florida Statutes, as amended (the "Act"), in connection with the issuance by the District of its \$[\_\_\_\_] original aggregate principal amount of Special Assessment Revenue and Refunding Bonds, Series 2023 (Assessment Area Three – Preserve East Project) (the "Assessment Area Three Bonds") and its \$[\_\_\_\_] original aggregate principal amount of Special Assessment Revenue and Refunding Bonds, Series 2023 (Assessment Area Five – Phase 2 – Veranda Estates Project) (the "Assessment Area Five – Phase 2 Bonds" and, together with the Assessment Area Three Bonds, the "Series 2023 Bonds"). In such capacity, we have rendered our final approving opinion (the "Opinion") of even date herewith relating to the Series 2023 Bonds. The Series 2023 Bonds are secured pursuant to a Master Trust Indenture dated as of December 1, 2018 (the "Master Indenture"), as amended and supplemented with respect to the Assessment Area Three Bonds by a Sixth Supplemental Trust Indenture dated as of [November] 1, 2023 (the "Sixth Supplemental Indenture" and, together with the Master Indenture, the "Assessment Area Three Indenture"), and with respect to the Assessment Area Five – Phase 2 Bonds by a Seventh Supplemental Trust Indenture dated as of [November] 1, 2023 (the "Seventh Supplemental Indenture" and, together with the Master Indenture, the "Assessment Area Five – Phase 2 Indenture") (the Assessment Area Three Indenture and the Assessment Area Five – Phase 2 Indenture collectively referred to herein as the "Indentures"), each by and between the District and the Trustee.

In connection with the rendering of the Opinion, we have reviewed records of the acts taken by the District in connection with the authorization, sale and issuance of the Series 2023 Bonds, were present at various meetings and participated in various discussions in connection therewith and have reviewed such other documents, records and other instruments as we deem necessary to deliver this opinion.

The District has entered into a Bond Purchase Contract dated [\_\_\_\_], 2023 (the "Purchase Contract"), for the purchase of the Series 2023 Bonds. Capitalized words used, but not defined, herein shall have the meanings ascribed thereto in the Purchase Contract.

Based upon the forgoing, we are of the opinion that:



1. The sale of the Series 2023 Bonds by the District is not subject to the registration requirements of the Securities Act of 1933, as amended (the "Securities Act"), pursuant to the exemption provided in Section 3(a)(2) of the Securities Act.

2. The Indentures are exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended.

3. The information in the Limited Offering Memoranda under the captions "INTRODUCTION," "DESCRIPTION OF THE SERIES 2023 BONDS," "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2023 BONDS," "and "APPENDIX A: COPY OF MASTER INDENTURE AND PROPOSED FORMS OF SUPPLEMENTAL INDENTURES," insofar as such statements constitute descriptions of the Series 2023 Bonds or the Indentures, are accurate as to the matters set forth or documents described therein, and the information under the captions "TAX MATTERS" and "AGREEMENT BY THE STATE," insofar as such information purports to describe or summarize certain provisions of the laws of the State of Florida (the "State") and the provisions of the Internal Revenue Code of 1986, as amended (the "Code"), is accurate as to the matters set forth therein.

This letter is furnished by us as Bond Counsel. No attorney-client relationship has existed or exists between our firm and FMSbonds, Inc. (the "Underwriter") in connection with the Series 2023 Bonds or by virtue of this letter. This letter is delivered to the Underwriter solely for its benefit as Underwriter and may not be used, circulated, quoted or otherwise referred to or relied upon by the Underwriter for any other purpose or by any other person other than the addressee hereto. This letter is not intended to, and may not be, relied upon by holders of the Series 2023 Bonds.

Very truly yours,

## **EXHIBIT D**

### **ISSUER'S COUNSEL'S OPINION**

[\_\_\_\_], 2023

Veranda Community Development District II  
Port St. Lucie, Florida

FMSbonds, Inc.  
North Miami Beach, Florida

U.S. Bank Trust Company, National Association, as Trustee  
Orlando, Florida  
(solely for reliance upon Sections C.1., C.2 and C.3.)

Re:     \$[\_\_\_\_] Veranda Community Development District II Special Assessment Revenue and Refunding Bonds, Series 2023 (Assessment Area Three – Preserve East Project) & \$[\_\_\_\_] Veranda Community Development District II Special Assessment Revenue and Refunding Bonds, Series 2023 (Assessment Area Five – Phase 2 – Estates Project)

Ladies and Gentlemen:

We serve as counsel to the Veranda Community Development District II ("**District**"), a local unit of special-purpose government established pursuant to the laws of the State of Florida, in connection with the sale by the District of its \$[\_\_\_\_] Veranda Community Development District II Special Assessment Revenue and Refunding Bonds, Series 2023 (Assessment Area Three – Preserve East Project) (the "**Assessment Area Three Bonds**") and its \$[\_\_\_\_] Veranda Community Development District II Special Assessment Revenue and Refunding Bonds, Series 2023 (Assessment Area Five – Phase 2 – Estates Project) (the "**Assessment Area Five – Phase 2 Bonds**" and, together with the Assessment Area Three Bonds, the "**Bonds**"). This letter is delivered to you pursuant to Section 3.01(2) of the Master Indenture (defined below) and Section 8(c)(6) of the Bond Purchase Contract (referenced below), and is effective as of the date first written above. Each capitalized term not otherwise defined herein has the meaning given to it in the Indenture (defined herein).

#### **A. DOCUMENTS EXAMINED**

In rendering the opinions set forth below, we have examined and/or relied upon the following documents and have made such examination of law as we have deemed necessary or appropriate:

1. Ordinance 18-30, enacted by the City Council of the City of Port St. Lucie, Florida, which was effective as of July 9, 2018 ("**Establishment Ordinance**");
2. the *Master Trust Indenture*, dated as of December 1, 2018 ("**Master Indenture**"), as supplemented with respect to the Assessment Area Three Bonds by the *Sixth Supplemental Trust Indenture*, dated as of [November 1], 2023 ("**Sixth Supplemental Trust Indenture**," and together with the Master Indenture, "**Assessment Area Three Indenture**") and as supplemented with respect to the Assessment Area Five – Phase 2 Bonds by the *Seventh Supplemental Trust Indenture*, dated as of [November 1], 2023 ("**Seventh Supplemental**

- Trust Indenture**," and together with the Master Indenture, "**Assessment Area Five – Phase 2 Indenture**"), each by and between the District and U.S. Bank Trust Company, National Association, as successor trustee ("**Trustee**") (the Assessment Area Three Indenture and the Assessment Area Five – Phase 2 Indenture being referred to herein as the "**Indenture**");
3. Resolutions Nos. 2018-32 and 2024-[] adopted by the District on July 17, 2018, and [November 16], 2023, respectively (collectively, "**Bond Resolution**");
  4. the *Engineer's Report* dated [August 27, 2018], and the [Supplement No. 3 to Engineer's Report] dated \_\_\_\_\_, 2023 ("**Engineer's Report**"), which describes among other things, the "**2023 Projects**";
  5. *Master Special Assessment Allocation Report* dated [September 17, 2018], and the [Supplemental Special Assessment Allocation Report] dated \_\_\_\_\_, 2023 (collectively, "**Assessment Methodology**");
  6. Resolution Nos. 2018-30, 2018-31, 2019-03 and 2023-\_\_ (collectively, "**Assessment Resolution**"), establishing the debt service special assessments ("**Debt Assessments**") securing the Assessment Area Three Bonds;
  7. the *Final Judgment* issued on September 17, 2018 and by the Circuit Court for the Nineteenth Judicial Circuit in and for St. Lucie County, Florida in Case No. 2018-CA-001307, and Certificate of No Appeal issued on October 19, 2018;
  8. the Preliminary Limited Offering Memorandum dated \_\_\_\_\_, 2023 ("**PLOM**") and Limited Offering Memorandum dated \_\_\_\_\_, 2023 ("**LOM**");
  9. certain certifications by FMSbonds, Inc. ("**Underwriter**"), as underwriter to the sale of the Assessment Area Three Bonds;
  10. certain certifications of Culpepper & Terpening, Inc., as "**District Engineer**";
  11. certain certifications of Rizzetta & Company, Incorporated, as "**District Manager and Assessment Consultant**";
  12. general and closing certificate of the District;
  13. an opinion of Akerman, LLP ("**Bond Counsel**") issued to the District in connection with the sale and issuance of the Assessment Area Three Bonds;
  14. an opinion of Greenberg Traurig, P.A. ("**Trustee Counsel**") issued to the District and Underwriter in connection with the sale and issuance of the Assessment Area Three Bonds;
  15. an opinion of Lewis, Longman & Walker, P.A., counsel to the Assessment Area Three Landowner (defined herein), issued to the District and the Underwriter in connection with the sale and issuance of the Assessment Area Three Bonds;
  16. an opinion of Holland & Knight, LLP, counsel to the Assessment Area Three Development Manager (defined herein), issued to the District and the Underwriter in connection with the sale and issuance of the Assessment Area Three Bonds;
  17. an opinion of Mahoney Law Group, P.A., counsel to the Assessment Area Five Landowner (defined herein), issued to the District and the Underwriter in connection with the sale and issuance of the Assessment Area Five – Phase 2 Bonds;
  18. the following agreements (collectively, "**Bond Agreements**"):
    - (a) the Continuing Disclosure Agreement dated \_\_\_\_\_, 2023, by and among the District, AG EHC II (LEN) Multi State 1, LLC, a Delaware limited liability company ("**Assessment Area Three Landowner**"), Veranda St. Lucie Land Holdings, LLC ("**Assessment Area Five Landowner**" and, together with the Assessment Area Three Landowner, the "**Landowners**") and a dissemination agent;
    - (b) the Bond Purchase Contract between Underwriter and the District and dated \_\_\_\_\_, 2023 ("**BPA**");
    - (c) the Acquisition Agreement between the District and the Landowners and dated \_\_\_\_\_, 2023;

- (d) the Completion Agreement between the District and the Landowners and dated [\_\_\_\_], 2023;
  - (e) the True-Up Agreement between the District and the Landowners and dated [\_\_\_\_], 2023; and
  - (f) the Collateral Assignment and Assumption Agreement between the District and the Landowners and dated [\_\_\_\_], 2023;
- 19. Declarations of Consent to Jurisdiction executed by the Landowners; and
  - 20. such other documents as we have deemed necessary or appropriate in rendering the opinions set forth below.

We have also attended various meetings of the District and have participated in conferences from time to time with representatives of the District, the District Engineer, the District Manager and Assessment Consultant, the Underwriter, Bond Counsel, counsel to the Underwriter, the Landowners, counsel to the respective Landowners, the Development Manager, counsel to the Development Manager, and others relative to the LOM and the related documents described herein.

## B. RELIANCE

This opinion is solely for the benefit of (i) the District; (ii) the Underwriter; and (iii) the Trustee; however, the Trustee may only rely on this opinion for the limited purposes of the opinions stated in Sections C.1, C.2 and C.3. Notwithstanding the foregoing, no attorney-client relationship has existed or exists between the undersigned and the Underwriter or Trustee in connection with the Bonds by virtue of this opinion. This opinion may not be relied on by any other party or for any other purpose without our prior written consent.

## C. OPINIONS

Based on the foregoing, and subject to the qualifications and assumptions set forth herein, we are of the opinion that:

1. **Authority** – Under the Florida Constitution and laws of the State, the District has been duly established and validly exists as a local unit of special purpose government and a community development district under Chapter 190, *Florida Statutes* ("**Act**"), with such powers as set forth in the Act, and with good, right and lawful authority: (a) to enter into and to consummate the transactions contemplated by the Bond Resolution, the Assessment Resolution, the Indenture, the Bonds and the Bond Agreements; (b) to issue the Bonds for the purposes for which they are issued; (c) to impose, levy, collect and enforce the Debt Assessments and pledge the respective Pledged Revenues to secure the Bonds as provided in the related Indenture; (d) to adopt the Bond Resolution and the Assessment Resolution; and (e) to perform its obligations under the terms and conditions of the Bond Resolution, the Assessment Resolution, the Bond Agreements, the Bonds and the Indenture.

2. **Assessments** – The proceedings by the District with respect to the Debt Assessments have been in accordance with Florida law. The District has taken all action necessary to authorize and execute the Assessment Resolution and to levy and impose the Debt Assessments as set forth in the Assessment Resolution, Assessment Methodology, and/or other applicable documents. The Debt Assessments constitute legal, valid, binding and enforceable first liens upon the property against which such Debt Assessments are assessed, co-equal with the lien of all state, county, district and municipal taxes and assessments, and superior in dignity to all other liens, titles and claims, until paid.

3. **Agreements** – The (a) Bond Resolution, (b) Assessment Resolution, (c) Bonds, (d) Indenture, and (e) Bond Agreements (assuming due authorization, execution and delivery of documents (c)

– (e) listed herein by any parties thereto other than the District) have been duly and validly authorized, executed and delivered by the District, have been duly approved and adopted and/or issued by the District, are in full force and effect, constitute legal, valid and binding obligations of the District, and are enforceable against the District in accordance with their respective terms. All conditions prescribed in the Indenture as precedent to the issuance of the Bonds have been fulfilled.

4. **Validation** – The Assessment Area Three Bonds have been validated by a final judgment of the Circuit Court in and for St. Lucie County, Florida, of which no timely appeal was filed.

5. **Governmental Approvals** –As of the date hereof, all necessary consents, approvals, waivers or other actions by or filings with any governmental authority or other entity that are required for: (a) the adoption of the Bond Resolution and the Assessment Resolution; (b) the issuance, sale, execution and delivery of the Bonds upon the terms set forth in the BPA, PLOM, and LOM; (c) the execution and delivery of the Indenture and Bond Agreements; and (d) the performance by the District of the transactions required hereby, have been duly obtained or made and are in full force and effect.

6. **PLOM and LOM** – The District has duly authorized the execution, delivery and distribution by the Underwriter of the PLOM and LOM. To our knowledge, and based upon our review of the PLOM and LOM and without having undertaken to determine independently the accuracy, completeness or fairness of the statements contained in the PLOM and LOM, and as of the date of their respective issuances, and with respect to the PLOM, the date of the BPA, and with respect to the LOM, the date hereof, nothing has come to our attention which would lead us to believe that the PLOM and LOM contain an untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading, provided however that the opinions stated herein extend only to the following provisions of the PLOM and LOM: "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2023 BONDS – Prepayment of 2023 Special Assessments" "ENFORCEMENT OF ASSESSMENT COLLECTIONS," "THE DISTRICT" (excluding the subcaptions "District Manager and Other Consultants"), "ASSESSMENT METHODOLOGY AND THE ALLOCATION OF ASSESSMENTS," "THE DEVELOPMENT – Landowners' Agreements" (solely with respect to the description of such agreements), "AGREEMENT BY THE STATE," "LEGALITY FOR INVESTMENT," "LITIGATION – The District," "CONTINUING DISCLOSURE" (as it relates to the District only), "VALIDATION," and "AUTHORIZATION AND APPROVAL," and further provided however that the opinions stated herein do not extend to any statements that constitute descriptions of the Bonds or the Indenture. No information or opinion is offered as to any remaining provisions of the PLOM or LOM.

7. **Litigation** –Based on inquiry of the District's Registered Agent for service of process and the fact that we have not been served with notice, there is no litigation pending or, to the best of our knowledge, threatened against the District: (a) seeking to restrain or enjoin the issuance or delivery of the Bonds or the application of the proceeds thereof, or the imposition, levy or collection of the Debt Assessments or the Pledged Revenues pledged for the payment of the debt service on the Bonds; (b) contesting or affecting the authority for the Debt Assessments, the authority for the issuance of the Bonds or the validity or enforceability of the Bonds, the Indenture, the Bond Agreements or the transactions contemplated thereunder; (c) contesting or affecting the establishment or existence of the District or any of its Supervisors, officers or employees, its assets, property or condition, financial or otherwise, or contesting or affecting any of the powers of the District, including its power to enter into the Indenture or the Bond Agreements, or its power to determine, assess, levy, collect and pledge the Debt Assessments for the payment of the debt service on the Bonds; or (d) specifically contesting the exclusion from federal gross income of interest on the Bonds.

8. ***Compliance with Laws*** – To the best of our knowledge, the District is not, in any manner material to the issuance of the Bonds or the Debt Assessments, in breach of or default under any applicable provision of the Act or constitutional provision, statute, or administrative regulation of the State of Florida, or any applicable judgment or decree, any loan agreement, indenture, bond, note, resolution, agreement (including the Bond Agreements and Indenture), or any other material instrument to which the District is a party or to which the District or any of its property or assets is otherwise subject, and to the best of our knowledge, no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute a material default or event of default by the District under any such instrument; provided, however, that no opinion is expressed as to compliance with any state or federal tax or securities laws.

9. ***Authority to Undertake the 2023 Projects*** - The District has good right and lawful authority under the Act to undertake, finance, acquire, construct, own, and operate the 2023 Projects, subject to obtaining such licenses, orders or other authorizations as are, at the date of such opinion, required to be obtained from any agency or regulatory body.

#### **D. CERTAIN ASSUMPTIONS**

In rendering the foregoing opinions, we have assumed the following: (1) that all public records, certifications, agreements and other documents examined by us that have been executed or certified by public officials acting within the scope of their official capacities are authentic, truthful and accurate; (2) that copies of such public records, certifications, agreements, and other documents furnished to us are authentic and conform to the originals; (3) that all signatures on executed public records, certifications, agreements and other documents are genuine; and (4) that all public records, certifications, agreements and other documents have been properly authorized and are binding on each of the other parties thereto. Such assumptions do not apply to District documents.

#### **E. CERTAIN QUALIFICATIONS**

The foregoing opinions are subject to the following qualifications:

1. The opinions or statements expressed above are based solely on the laws of Florida in effect at the time of issuance of the Bonds. Accordingly, we express no opinion nor make any statement regarding the effect or application of the laws of the federal government (including but not limited to the Internal Revenue Code or any proposed changes thereto), or any other state or other jurisdiction.

2. Our opinion as to enforceability of any document is subject to limitations imposed by bankruptcy, insolvency, reorganization, moratorium, liquidation, readjustment of debt, or similar laws, relating to or affecting creditors' rights generally and general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law), and to the exercise of judicial discretion in appropriate cases, including the fact that specific performance and other equitable remedies are granted only in the discretion of a court.

3. Nothing herein shall be construed as an opinion regarding the possible applicability of state securities or "blue sky" laws or federal securities laws, as to which no opinion is expressed.

4. We further express no opinion as to the necessity for an interest rate waiver under Florida law, or the applicability of any provision or section of the Internal Revenue Code.

5. We express no opinion and make no representations with regard to financial, project, statistical or other similar information or data. We express no opinion as to compliance with any state or federal tax laws.

6. We have not reviewed, and therefore express no opinion, regarding any land use, real property or other related items, including but not limited to whether the Landowners are able to convey good and marketable title to any particular real property or interest therein and related to the 2023 Projects.

7. With respect to any of the opinions set forth in this letter which are based on or qualified by the phrase "to our knowledge," the words "to our knowledge" signify that, in the course of our representation of the District, no facts have come to our attention that would give us actual knowledge that any such opinions or other matters are not accurate. Except to the extent expressly set forth herein, we have not undertaken any independent investigation to determine the existence or absence of any such facts, and no inference as to our knowledge of the existence of such facts should be drawn from the fact of our representation of District.

8. The opinions set forth herein are based on factual representations made to us as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may thereafter come to our attention, or to reflect any changes in law that may thereafter occur or become effective. Moreover, our opinions are not a guarantee of a particular result, and are not binding on the courts or any other entity; rather, our opinions represent our professional judgment based on our review of existing law, and in reliance on the representations and covenants that we deem relevant to such opinions.

Very truly yours,

KUTAK ROCK LLP

## **EXHIBIT E**

### **CERTIFICATE OF ASSESSMENT AREA THREE LANDOWNER**

AG EHC II (LEN) Multi State 1, LLC, a Delaware limited liability company (the "Assessment Area Three Landowner"), DOES HEREBY CERTIFY, that:

1. This Certificate of the Landowner is furnished pursuant to Section 8(c)(12) of the Bond Purchase Contract dated [\_\_\_\_], 2023 (the "Purchase Contract") between Veranda Community Development District II (the "District") and FMSbonds, Inc. (the "Underwriter") relating to the sale by the District of its \$[\_\_\_\_] original aggregate principal amount of Special Assessment Revenue and Refunding Bonds, Series 2023 (Assessment Area Three – Preserve East Project) (the "Assessment Area Three Bonds"). Capitalized terms used, but not defined, herein shall have the meaning assigned thereto in the Purchase Contract.

2. The Assessment Area Three Landowner is a limited liability company organized and existing under the laws of the State of Delaware and qualified to transact business in the State of Florida.

3. Representatives of the Assessment Area Three Landowner have provided information to the District to be used in connection with the offering by the District of its Bonds, pursuant to a Preliminary Limited Offering Memorandum dated [\_\_\_\_], 2023 and the Limited Offering Memorandum, dated [\_\_\_\_], 2023, including the appendices attached thereto (collectively, the "Limited Offering Memoranda").

4. The Continuing Disclosure Agreement to be dated as of [\_\_\_\_], 2023 (the "Closing Date"), by and among the District, the Assessment Area Three Landowner, Veranda St. Lucie Land Holdings, LLC ("Assessment Area Five Landowner" and, together with the Assessment Area Three Landowner, the "Landowners") and a dissemination agent, [the Completion Agreement by and between the District and the Assessment Area Three Landowner dated as of the Closing Date], the Acquisition Agreement by and between the District and the Assessment Area Three Landowner dated as of the Closing Date, the Collateral Assignment and Assumption of Development and Contract Rights Relating to the Assessment Area Three Projects by and between the District and the Assessment Area Three Landowner dated as of the Closing Date, the True-Up Agreement by and between the District and the Assessment Area Three Landowner dated as of the Closing Date and the Declaration of Consent dated the Closing Date by the Assessment Area Three Landowner constitute valid and binding obligations of the Assessment Area Three Landowner, enforceable against the Assessment Area Three Landowner in accordance with their respective terms.

5. The Assessment Area Three Landowner has reviewed and approved the information contained in the Limited Offering Memoranda under the captions "THE CAPITAL IMPROVEMENT PLAN AND THE 2023 PROJECTS," "THE DEVELOPMENT," "THE LANDOWNERS," "BONDOWNERS' RISKS," "LITIGATION – The Landowners" and "CONTINUING DISCLOSURE" (in each case to the extent such information relates to Assessment Area Three, the Assessment Area Three Project or the Assessment Area Three Landowner) and warrants and represents that such information did not as of the respective dates of the Limited Offering Memoranda, and does not as of the date hereof, contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. In addition, the Assessment Area Three Landowner is not aware of any other information in the Limited Offering Memoranda that contains an untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.



6. The Assessment Area Three Landowner represents and warrants that it has complied with and will continue to comply with Chapter 190.048, Florida Statutes, as amended.

7. As of the date hereof, there has been no material adverse change in the business, properties, assets or financial condition of the Assessment Area Three Landowner which has not been disclosed in the Limited Offering Memoranda.

8. The Assessment Area Three Landowner hereby represents that it owns all of the land in Assessment Area Three of the District that will be subject to the Assessment Area Three Special Assessments, and hereby consents to the levy of the Assessment Area Three Special Assessments on the lands in the District owned by the Assessment Area Three Landowner. The levy of the Assessment Area Three Special Assessments on the lands in Assessment Area Three will not conflict with or constitute a breach of or default under any agreement, mortgage, lien or other instrument to which the Assessment Area Three is a party or to which its property or assets are subject.

9. The Assessment Area Three 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 Assessment Area Three 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.

10. The Assessment Area Three Landowner acknowledges that the Assessment Area Three Bonds have the debt service requirements set forth in the Limited Offering Memorandum and that the Assessment Area Three Special Assessments will be levied by the District at times, and in amounts sufficient, to enable the District to pay debt service on the Assessment Area Three Bonds when due.

11. To the best of the Assessment Area Three Landowner's knowledge, the Assessment Area Three Landowner is not in default under any other resolution, ordinance, agreement or indenture, mortgage, lease, deed of trust, note or other instrument to which the Assessment Area Three Landowner is subject or by which the Assessment Area Three Landowner or its properties are or may be bound, which would have a material adverse effect on the consummation of the transactions contemplated by the Financing Documents, Ancillary Documents or on the development of Assessment Area Three and is not delinquent in the payment of all ad valorem, federal and state taxes associated with the Development.

12. There is no action, suit or proceedings at law or in equity by or before any court or public board or body pending or, solely to the best of the Assessment Area Three Landowner's knowledge, threatened against the Assessment Area Three Landowner (or any basis therefor) (a) seeking to restrain or enjoin the execution or delivery of Financing Documents and/or Ancillary Documents to which the Assessment Area Three Landowner is a party, (b) contesting or affecting the validity or enforceability of the Financing Documents, Declaration of Consent and/or Ancillary Documents, or any and all such other agreements or documents as may be required to be executed, or the transactions contemplated thereunder, (c) contesting or affecting the establishment or existence, of the Assessment Area Three Landowner, or of the Assessment Area Three Landowner's business, assets, property or conditions, financial or otherwise, or contesting or affecting any of the powers of the Assessment Area Three Landowner, or (d) that would have a material and adverse effect upon the ability of the Assessment Area Three Landowner to (i) complete the development of Assessment Area Three within the District as described in the Limited Offering Memoranda, (ii) pay the Assessment Area Three Special Assessments, or (iii) perform its various obligations as described in the Limited Offering Memoranda.

13. To the best of the Assessment Area Three Landowner's knowledge after due inquiry, the Assessment Area Three Landowner is in compliance in all material respects with all provisions of applicable law in all material matters relating to the development of Assessment Area Three, as described in the Limited Offering Memoranda, including applying for all necessary permits. Except as otherwise described in the Limited Offering Memoranda, (a) Assessment Area Three is zoned and properly designated for its intended uses; (b) all government permits other than certain permits, which permits are expected to be received as needed, have been received; (c) the Assessment Area Three Landowner is not aware of any default of any zoning condition, permit or development agreement which would adversely affect the Assessment Area Three Landowner's ability to complete or cause the completion of the Assessment Area Three Project or the development of Assessment Area Three as described in the Limited Offering Memoranda and all appendices thereto; and (d) there is no reason to believe that any permits, consents and licenses required to complete the Assessment Area Three Project or the development of Assessment Area Three as described in the Offering Memoranda will not be obtained as required.

14. The Assessment Area Three Landowner acknowledges that it will have no rights under Chapter 170, Florida Statutes, as amended, to prepay, without interest, the Assessment Area Three Special Assessments imposed on lands in the District owned by the Assessment Area Three Landowner within thirty (30) days following completion of the Assessment Area Three Project and acceptance thereof by the District.

15. [Except as expressly disclosed in the Limited Offering Memoranda, the Assessment Area Three Landowner has not in the past five years materially failed to comply with any obligations pursuant to a continuing disclosure undertaking in connection with SEC Rule 15c2-12.] [The Assessment Area Three Landowner has not previously entered into any continuing disclosure obligations pursuant to Rule 15c2-12, promulgated under the Securities Exchange Act of 1934, as amended.]

16. The Assessment Area Three Landowner is not in default of any obligations to pay special assessments and the Assessment Area Three Landowner is not insolvent.

**AG EHC II (LEN) Multi State 1, LLC**, a  
Delaware limited liability company

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

## **EXHIBIT F**

### **CERTIFICATE OF ASSESSMENT AREA THREE DEVELOPMENT MANAGER**

LENNAR HOMES, LLC, a Florida limited liability company (the "Assessment Area Three Development Manager"), DOES HEREBY CERTIFY, that:

1. This Certificate of the Assessment Area Three Development Manager is furnished pursuant to Section 8(c)(13) of the Bond Purchase Contract dated [\_\_\_\_], 2023 (the "Purchase Contract") between Veranda Community Development District II (the "District") and FMSbonds, Inc. (the "Underwriter") relating to the sale by the District of its \$[\_\_\_\_] original aggregate principal amount of Special Assessment Revenue and Refunding Bonds, Series 2023 (Assessment Area Three – Preserve East Project) (the "Assessment Area Three Bonds"). Capitalized terms used, but not defined, herein shall have the meaning assigned thereto in the Purchase Contract.

2. The Assessment Area Three Development Manager is a limited liability company organized and existing under the laws of the State of Florida and qualified to transact business therein.

3. Representatives of the Assessment Area Three Development Manager have provided information to the District to be used in connection with the offering by the District of its Bonds, pursuant to a Preliminary Limited Offering Memorandum dated [\_\_\_\_], 2023 and the Limited Offering Memorandum, dated [\_\_\_\_], 2023, including the appendices attached thereto (collectively, the "Limited Offering Memoranda").

4. The [Completion Agreement by and between the District and the Assessment Area Development Manager dated as of the Closing Date, the Acquisition Agreement by and between the District and the Assessment Area Three Development Manager dated as of the Closing Date, and the Collateral Assignment and Assumption of Development and Contract Rights Relating to the Assessment Area Three Project by and between the District and the Assessment Area Three Development Manager dated as of the Closing Date] constitute valid and binding obligations of the Assessment Area Three Landowner, enforceable against the Assessment Area Three Landowner in accordance with their respective terms.

5. The Assessment Area Three Development Manager has reviewed and approved the information contained in the Limited Offering Memoranda under the captions "THE CAPITAL IMPROVEMENT PLAN AND THE 2023 PROJECTS," "THE DEVELOPMENT," "THE LANDOWNERS," "BONDOWNERS' RISKS," "LITIGATION – The Landowners" and "CONTINUING DISCLOSURE" (in each case to the extent such information relates to Assessment Area Three, the Assessment Area Three Project or the Assessment Area Three Development Manager) and warrants and represents that such information did not as of the respective dates of the Limited Offering Memoranda, and does not as of the date hereof, contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. In addition, the Assessment Area Three Development Manager is not aware of any other information in the Limited Offering Memoranda that contains an untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

6. The Assessment Area Three Development Manager represents and warrants that it has complied with and will continue to comply with Chapter 190.048, Florida Statutes, as amended.

7. As of the date hereof, there has been no material adverse change in the business, properties, assets or financial condition of the Assessment Area Three Development Manager which has not been disclosed in the Limited Offering Memoranda.

8. The Assessment Area Three Development Manager 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 Assessment Area Three Development Manager 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.

9. The Assessment Area Three Development Manager acknowledges that the Assessment Area Three Bonds have the debt service requirements set forth in the Limited Offering Memorandum and that the Assessment Area Three Special Assessments will be levied by the District at times, and in amounts sufficient, to enable the District to pay debt service on the Assessment Area Three Bonds when due.

10. To the best of the Assessment Area Three Development Manager's knowledge, the Assessment Area Three Development Manager is not in default under any other resolution, ordinance, agreement or indenture, mortgage, lease, deed of trust, note or other instrument to which the Assessment Area Three Development Manager is subject or by which the Assessment Area Three Development Manager or its properties are or may be bound, which would have a material adverse effect on the consummation of the transactions contemplated by the Financing Documents, Ancillary Documents or on the development of Assessment Area Three and is not delinquent in the payment of all ad valorem, federal and state taxes associated with the Development.

11. There is no action, suit or proceedings at law or in equity by or before any court or public board or body pending or, solely to the best of the Assessment Area Three Development Manager's knowledge, threatened against the Assessment Area Three Development Manager (or any basis therefor) (a) seeking to restrain or enjoin the execution or delivery of Financing Documents and/or Ancillary Documents to which the Assessment Area Three Development Manager is a party, (b) contesting or affecting the validity or enforceability of the Financing Documents and/or Ancillary Documents, or any and all such other agreements or documents as may be required to be executed, or the transactions contemplated thereunder, (c) contesting or affecting the establishment or existence, of the Assessment Area Three Development Manager, or of the Assessment Area Three Development Manager's business, assets, property or conditions, financial or otherwise, or contesting or affecting any of the powers of the Assessment Area Three Development Manager, or (d) that would have a material and adverse effect upon the ability of the Assessment Area Three Development Manager to (i) complete the development of Assessment Area Three within the District as described in the Limited Offering Memoranda, (ii) pay the Assessment Area Three Special Assessments on lots owned by the Assessment Area Three Development Manager, or (iii) perform its various obligations as described in the Limited Offering Memoranda.

12. To the best of the Assessment Area Three Development Manager's knowledge after due inquiry, the Assessment Area Three Development Manager is in compliance in all material respects with all provisions of applicable law in all material matters relating to the development of Assessment Area Three, as described in the Limited Offering Memoranda, including applying for all necessary permits. Except as otherwise described in the Limited Offering Memoranda, (a) Assessment Area Three is zoned and properly designated for its intended uses; (b) all government permits other than certain permits, which permits are expected to be received as needed, have been received; (c) the Assessment Area Three Development Manager is not aware of any default of any zoning condition, permit or development agreement which would adversely affect the Assessment Area Three Development Manager's ability to

complete or cause the completion of the Assessment Area Three Project or the development of Assessment Area Three as described in the Limited Offering Memoranda and all appendices thereto; and (d) there is no reason to believe that any permits, consents and licenses required to complete the Assessment Area Three Project or the development of Assessment Area Three as described in the Offering Memoranda will not be obtained as required.

13. The Assessment Area Three Development Manager acknowledges that it will have no rights under Chapter 170, Florida Statutes, as amended, to prepay, without interest, the Assessment Area Three Special Assessments imposed on lands in the District owned by the Assessment Area Three Development Manager within thirty (30) days following completion of the Assessment Area Three Project and acceptance thereof by the District.

14. [The Assessment Area Three Development Manager represents and warrants that, to its knowledge, it has provided on a timely basis all reporting information requested by the applicable dissemination agent with respect to prior continuing disclosure agreements entered into pursuant to the Rule 15c2-12 of the Securities and Exchange Commission. The Assessment Area Three Development Manager has been made aware of instances where the information required to be provided to the dissemination agents was not timely requested, not filed with the appropriate repository or, if filed, not filed on a timely basis. The Assessment Area Three Development Manager represents that it has instituted internal processes to provide information to the dissemination agents on a timely basis and obtained assurances from the dissemination agents that they will in turn request the required reporting information timely and file such information timely with the appropriate repository.]

15. The Assessment Area Three Development Manager is not in default of any obligations to pay special assessments and the Assessment Area Three Development Manager is not insolvent.

Dated: [\_\_\_\_], 2023.

**LENNAR HOMES, LLC**, a Florida limited liability company

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

## **EXHIBIT G**

### **CERTIFICATE OF ASSESSMENT AREA FIVE LANDOWNER**

VERANDA ST. LUCIE LAND HOLDINGS, LLC, a Delaware limited liability company (the "Landowner"), DOES HEREBY CERTIFY, that:

1. This Certificate of the Landowner is furnished pursuant to Section 8(c)(14) of the Bond Purchase Contract dated [\_\_\_\_], 2023 (the "Purchase Contract") between Veranda Community Development District II (the "District") and FMSbonds, Inc. (the "Underwriter") relating to the sale by the District of its \$[\_\_\_\_] original aggregate principal amount of Special Assessment Revenue and Refunding Bonds, Series 2023 (Assessment Area Five – Phase 2 – Veranda Estates Project) (the "Assessment Area Five – Phase 2 Bonds"). Capitalized terms used, but not defined, herein shall have the meaning assigned thereto in the Purchase Contract.

2. The Assessment Area Five Landowner is a limited liability company organized and existing under the laws of the State of Delaware and qualified to transact business in the State of Florida.

3. Representatives of the Assessment Area Five Landowner have provided information to the District to be used in connection with the offering by the District of its Assessment Area Five – Phase 2 Bonds, pursuant to a Preliminary Limited Offering Memorandum dated [\_\_\_\_], 2023 and the Limited Offering Memorandum, dated [\_\_\_\_], 2023, including the appendices attached thereto (collectively, the "Limited Offering Memoranda").

4. The Continuing Disclosure Agreement to be dated as of [\_\_\_\_], 2023 (the "Closing Date"), by and among the District, AG EHC II (LEN) Multi State 1, LLC (the "Assessment Area Three Landowner" and, together with the Assessment Area Three Landowner, the "Landowners"), the Assessment Area Five Landowner and a dissemination agent, [the Completion Agreement by and between the District and the Assessment Area Five Landowner dated as of the Closing Date], the Acquisition Agreement by and between the District and the Assessment Area Five Landowner dated as of the Closing Date, the Collateral Assignment and Assumption of Development and Contract Rights Relating to the Assessment Area Five Projects by and between the District and the Assessment Area Five Landowner dated as of the Closing Date, the True-Up Agreement by and between the District and the Assessment Area Five Landowner dated as of the Closing Date and the Declaration of Consent dated the Closing Date by the Assessment Area Five Landowner constitute valid and binding obligations of the Assessment Area Five Landowner, enforceable against the Assessment Area Five Landowner in accordance with their respective terms.

5. The Assessment Area Five Landowner has reviewed and approved the information contained in the Limited Offering Memoranda under the captions "THE CAPITAL IMPROVEMENT PLAN AND THE 2023 PROJECTS," "THE DEVELOPMENT," "THE LANDOWNERS," "BONDOWNERS' RISKS," "LITIGATION – The Landowners" and "CONTINUING DISCLOSURE" (in each case excluding information relating solely to Assessment Area Three, the Assessment Area Three Project, the Assessment Area Three Landowner or the Assessment Area Three Developer) and warrants and represents that such information did not as of the respective dates of the Limited Offering Memoranda, and does not as of the date hereof, contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. In addition, the Assessment Area Five Landowner is not aware of any other information in the Limited Offering Memoranda that contains an untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

6. The Assessment Area Five Landowner represents and warrants that it has complied with and will continue to comply with Chapter 190.048, Florida Statutes, as amended.

7. As of the date hereof, there has been no material adverse change in the business, properties, assets or financial condition of the Assessment Area Five Landowner which has not been disclosed in the Limited Offering Memoranda.

8. The Assessment Area Five Landowner hereby represents that it owns all of the land in Assessment Area Five – Phase 2 of the District that will be subject to the Assessment Area Five – Phase 2 Special Assessments, and hereby consents to the levy of the Assessment Area Five – Phase 2 Special Assessments on the lands in Assessment Area Five – Phase 2 owned by the Assessment Area Five Landowner. The levy of the Assessment Area Five – Phase 2 Special Assessments on the lands in Assessment Area Five – Phase 2 will not conflict with or constitute a breach of or default under any agreement, mortgage, lien or other instrument to which the Assessment Area Five is a party or to which its property or assets are subject.

9. The Assessment Area Five 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 Assessment Area Five 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.

10. The Assessment Area Five Landowner acknowledges that the Assessment Area Five – Phase 2 Bonds have the debt service requirements set forth in the Limited Offering Memorandum and that the Assessment Area Five – Phase 2 Special Assessments will be levied by the District at times, and in amounts sufficient, to enable the District to pay debt service on the Assessment Area Five – Phase 2 Bonds when due.

11. To the best of the Assessment Area Five Landowner's knowledge, the Assessment Area Five Landowner is not in default under any other resolution, ordinance, agreement or indenture, mortgage, lease, deed of trust, note or other instrument to which the Assessment Area Five Landowner is subject or by which the Assessment Area Five Landowner or its properties are or may be bound, which would have a material adverse effect on the consummation of the transactions contemplated by the Financing Documents, Ancillary Documents or on the development of Assessment Area Five – Phase 2 and is not delinquent in the payment of all ad valorem, federal and state taxes associated with the Development.

12. There is no action, suit or proceedings at law or in equity by or before any court or public board or body pending or, solely to the best of the Assessment Area Five Landowner's knowledge, threatened against the Assessment Area Five Landowner (or any basis therefor) (a) seeking to restrain or enjoin the execution or delivery of Financing Documents and/or Ancillary Documents to which the Assessment Area Five Landowner is a party, (b) contesting or affecting the validity or enforceability of the Financing Documents, Declaration of Consent and/or Ancillary Documents, or any and all such other agreements or documents as may be required to be executed, or the transactions contemplated thereunder, (c) contesting or affecting the establishment or existence, of the Assessment Area Five Landowner, or of the Assessment Area Five Landowner's business, assets, property or conditions, financial or otherwise, or contesting or affecting any of the powers of the Assessment Area Five Landowner, or (d) that would have a material and adverse effect upon the ability of the Assessment Area Five Landowner to (i) complete the development of Assessment Area Five – Phase 2 within the District as described in the Limited Offering

Memoranda, (ii) pay the Assessment Area Five – Phase 2 Special Assessments, or (iii) perform its various obligations as described in the Limited Offering Memoranda.

13. To the best of the Assessment Area Five Landowner's knowledge after due inquiry, the Assessment Area Five Landowner is in compliance in all material respects with all provisions of applicable law in all material matters relating to the development of Assessment Area Five – Phase 2, as described in the Limited Offering Memoranda, including applying for all necessary permits. Except as otherwise described in the Limited Offering Memoranda, (a) Assessment Area Five is zoned and properly designated for its intended uses; (b) all government permits other than certain permits, which permits are expected to be received as needed, have been received; (c) the Assessment Area Five Landowner is not aware of any default of any zoning condition, permit or development agreement which would adversely affect the Assessment Area Five Landowner's ability to complete or cause the completion of the Assessment Area Five – Phase 2 Project or the development of Assessment Area Five – Phase 2 as described in the Limited Offering Memoranda and all appendices thereto; and (d) there is no reason to believe that any permits, consents and licenses required to complete the Assessment Area Five – Phase 2 Project or the development of Assessment Area Five – Phase 2 as described in the Offering Memoranda will not be obtained as required.

14. The Assessment Area Five Landowner acknowledges that it will have no rights under Chapter 170, Florida Statutes, as amended, to prepay, without interest, the Assessment Area Five – Phase 2 Special Assessments imposed on lands in the District owned by the Assessment Area Five Landowner within thirty (30) days following completion of the Assessment Area Five – Phase 2 Project and acceptance thereof by the District.

15. [Except as expressly disclosed in the Limited Offering Memoranda, the Assessment Area Five Landowner has not in the past five years materially failed to comply with any obligations pursuant to a continuing disclosure undertaking in connection with SEC Rule 15c2-12.]

16. The Assessment Area Five Landowner is not in default of any obligations to pay special assessments and the Assessment Area Five Landowner is not insolvent.

Dated: [\_\_\_\_], 2023.

**VERANDA ST. LUCIE LAND HOLDINGS,  
LLC**, a Delaware limited liability company

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



## EXHIBIT H

### CERTIFICATE OF ENGINEER

CULPEPPER AND TERPENING, INC. (the "Engineers"), DOES HEREBY CERTIFY, that:

1. This certificate is furnished pursuant to Section 8(c)(21) of the Bond Purchase Contract dated [\_\_\_\_], 2023 (the "Purchase Contract"), by and between Veranda Community Development District II (the "District") and FMSbonds, Inc. with respect to the District's II \$[\_\_\_\_] Special Assessment Revenue and Refunding Bonds, Series 2023 (Assessment Area Three – Preserve East Project) (the "Assessment Area Three Bonds") and \$[\_\_\_\_] Special Assessment Revenue and Refunding Bonds, Series 2023 (Assessment Area Five – Phase 2 – Veranda Estates Project) (the "Assessment Area Five – Phase 2 Bonds" and, together with the Assessment Area Three Bonds and the Assessment Area Five – Phase 2 Bonds, the "Bonds"). Capitalized terms used, but not defined, herein shall have the meaning assigned thereto in the Purchase Contract or the Preliminary Limited Offering Memorandum dated [\_\_\_\_], 2023 and the Limited Offering Memorandum, dated [\_\_\_\_], 2023, including the appendices attached thereto, relating to the Bonds (collectively, the "Limited Offering Memoranda"), as applicable.

2. The Engineers have been retained by the District as consulting engineers.

3. The plans and specifications for the 2023 Projects (as described in the Limited Offering Memoranda) improvements were approved by all regulatory bodies required to approve them. All environmental and other regulatory permits or approvals required in connection with the construction of the 2023 Projects have been obtained and all environmental and other regulatory permits or approvals required in connection with the development of Assessment Area Three and Assessment Area Five – Phase 2 have either been obtained or are reasonably expected to be obtained in the ordinary course.

4. The Engineers prepared the reports entitled "Engineer's Report" dated [August 27, 2018], as supplemented by [Supplement No. 3 to Engineer's Report dated \_\_\_\_\_, 2023] (collectively, the "Engineer's Report"). The Report was prepared in accordance with generally accepted engineering principles. The Engineer's Report is included as "APPENDIX C: ENGINEER'S REPORT" to the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum and a description of the Report and certain other information relating to the Assessment Area Three Project and the Assessment Area Five – Phase 2 Project and the development of Assessment Area Three and Assessment Area Five – Phase 2 are included in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum under the captions "THE CAPITAL IMPROVEMENT PLAN AND THE 2023 PROJECTS" and "THE DEVELOPMENT." The Report and said information 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 Engineers hereby consent to the inclusion of the Report as "APPENDIX C: ENGINEER'S REPORT" to the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum and to the references to the Engineers in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum.

6. The price expected to be paid by the District, based on current construction cost estimates, to the Landowners for any future acquisition of the improvements included within the Assessment Area Three Project and the Assessment Area Five – Phase 2 Project does not exceed the lesser of the cost of the

Assessment Area Three Project and the Assessment Area Five – Phase 2 Project, respectively, or the fair market value of the assets acquired by the District.

7. To the best of our knowledge, after due inquiry, the Landowners are in compliance in all material respects with all provisions of applicable law in all material matters relating to the Landowners, the 2023 Project and the development of the Assessment Areas as described in the Limited Offering Memoranda. Except as otherwise described in the Limited Offering Memoranda, (a) all government permits required in connection with the construction of the 2023 Projects and the development of Assessment Area Three and Assessment Area Five – Phase 2 as described in the Limited Offering Memoranda have been received, or are reasonably expected to be obtained; (b) we are not aware of any default of any zoning condition, land use permit or development agreement which would adversely affect the ability to complete the 2023 Projects or the development of Assessment Area Three and Assessment Area Five – Phase 2 as described in the Limited Offering Memoranda and all appendices thereto; and (c) we have no actual knowledge and are not otherwise aware of any reason to believe that any permits, consents and licenses required to complete the 2023 Projects or the development of Assessment Area Three and Assessment Area Five – Phase 2 as described in the Limited Offering Memoranda will not be obtained in due course as required by the respective Landowners, or any other person or entity, all as described in the Limited Offering Memoranda and all appendices thereto.

8. There is adequate water and sewer service capacity to serve the Development, including Assessment Area Three and Assessment Area Five – Phase 2.

Date: [\_\_\_\_], 2023

**CULPEPPER AND TERPENING, INC.**

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

## **EXHIBIT I**

### **CERTIFICATE OF DISTRICT MANAGER AND METHODOLOGY CONSULTANT**

RIZZETTA & COMPANY, INCORPORATED ("Rizzetta"), DOES HEREBY CERTIFY:

1. This certificate is furnished pursuant to Section 8(c)(22) of the Bond Purchase Contract dated [\_\_\_\_], 2023 (the "Purchase Contract"), by and between Veranda Community Development District II (the "District") and FMSbonds, Inc. with respect to the District's \$[\_\_\_\_] Special Assessment Revenue and Refunding Bonds, Series 2023 (Assessment Area Three – Preserve East Project) (the "Assessment Area Three Bonds") and \$[\_\_\_\_] Special Assessment Revenue and Refunding Bonds, Series 2023 (Assessment Area Five – Phase 2 – Veranda Estates Project) (the "Assessment Area Five – Phase 2 Bonds" and, together with the Assessment Area Three Bonds and the Assessment Area Five – Phase 2 Bonds, the "Series 2023 Bonds"). Capitalized terms used, but not defined, herein shall have the meaning assigned thereto in the Purchase Contract or the Limited Offering Memoranda relating to the Series 2023 Bonds, as applicable.

2. Rizzetta has acted as district manager and methodology consultant to the District in connection with the sale and issuance by the District of its Series 2023 Bonds and has participated in the preparation of the Preliminary Limited Offering Memorandum dated [\_\_\_\_], 2023 and the Limited Offering Memorandum, dated [\_\_\_\_], 2023, including the appendices attached thereto (collectively, the "Limited Offering Memoranda").

3. In connection with the issuance of the Series 2023 Bonds, we have been retained by the District to prepare the Master Special Assessment Allocation Report dated [September 17, 2018], as supplemented by the [Supplemental Special Assessment Allocation Report] dated [\_\_\_\_], 2023 (collectively, the "Assessment Methodology"), which Assessment Methodology has been included as an appendix to the Limited Offering Memoranda. We hereby consent to the use of such Assessment Methodology in the Limited Offering Memoranda and consent to the references to us therein.

4. As District Manager, nothing has come to our attention that would lead us to believe that the statements in the Limited Offering Memoranda, as they relate to the District, the Assessment Area Three Project and the Assessment Area Five – Phase 2 Project, any information provided by us, and the Assessment Methodology, as of their respective dates and as of this date, contained or contains any untrue statement of a material fact or omitted or omits to state a material fact necessary to be stated therein in order to make the statements made therein, in light of the circumstances under which they were made, not misleading.

5. The information set forth in the Limited Offering Memoranda under the subcaptions "THE DISTRICT," "THE CAPITAL IMPROVEMENT PLAN AND THE 2023 PROJECTS," "ASSESSMENT METHODOLOGY AND THE ALLOCATION OF ASSESSMENTS," "LITIGATION – The District," "CONTINGENT FEES," "EXPERTS," "FINANCIAL INFORMATION," "DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS," "CONTINUING DISCLOSURE," and in "APPENDIX D: ASSESSMENT METHODOLOGY" and "APPENDIX E: DISTRICT'S FINANCIAL STATEMENTS" did not as of the respective dates of the Limited Offering Memoranda and does not as of the date hereof contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

6. To the best of our knowledge, there has been no change which would materially adversely affect the assumptions made or the conclusions reached in the Assessment Methodology and the considerations and assumptions used in compiling the Assessment Methodology are reasonable. The Assessment Methodology and the assessment methodology set forth therein were prepared in accordance with all applicable provisions of Florida law.

7. As District Manager for the District, we are not aware of any litigation pending or, to the best of our knowledge, threatened against the District restraining or enjoining the issuance, sale, execution or delivery of the Series 2023 Bonds, or in any way contesting or affecting the validity of the Series 2023 Bonds or any proceedings of the District taken with respect to the issuance or sale thereof, or the pledge or application of any moneys or security provided for the payment of the Series 2023 Bonds, or the existence or powers of the District.

8. The benefit from the Assessment Area Three Project and the Assessment Area Five – Phase 2 Project equals or exceeds the Assessment Area Three Special Assessments and the Assessment Area Five – Phase 2 Special Assessments, respectively (together, "Assessments"), and such Assessments are fairly and reasonably allocated across all of the respective lands subject to the Assessments.

9. The assessments, as initially levied, and as may be reallocated from time to time in a report prepared by Rizzetta as permitted by resolutions adopted by the District with respect to the Assessment Area Three Special Assessments and the Assessment Area Five – Phase 2 Special Assessments, are sufficient to enable the District to pay the debt service on the corresponding Series of Series 2023 Bonds through the final maturity(ies) thereof.

10. Rizzetta does not represent the District as a Municipal Advisor or Securities Broker nor is Rizzetta registered to provide such services as described in Section 15B of the Securities and Exchange Act of 1934, as amended. Similarly, Rizzetta does not provide the District with financial advisory services or offer investment advice in any form.

11. Rizzetta hereby acknowledges its agreement to serve as the Dissemination Agent for the District for the Series 2023 Bonds and undertake the obligations of the Dissemination Agent as set forth in the Continuing Disclosure Agreement dated [\_\_\_\_], 2023 (the "Disclosure Agreement") by and among the District, AG EHC II (LEN) Multi State 1, LLC, Veranda St. Lucie Land Holdings, LLC, and Rizzetta, as Dissemination Agent, and acknowledged by Rizzetta, as District Manager, and U.S. Bank Trust Company, National Association, as trustee. Rizzetta hereby represents that it is aware of the continuing disclosure requirements set forth in the Disclosure Agreement and Rule 15c2-12 promulgated under the Securities Act of 1933, as amended, that it has policies and procedures in place to ensure its compliance with its obligations under the Disclosure Agreement, and that it will comply with its obligations under the Disclosure Agreement.

Dated: [\_\_\_\_], 2023.

**RIZZETTA & COMPANY, INCORPORATED,**  
a Florida corporation

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

# Exhibit C

**PRELIMINARY LIMITED OFFERING MEMORANDUM DATED [\_\_\_\_], 2023**

NEW ISSUES - BOOK-ENTRY ONLY  
LIMITED OFFERING

NOT RATED

*In the opinion of Bond Counsel, assuming compliance with existing statutes, regulations, published rulings and court decisions, and assuming continuing compliance by the District with the tax covenants set forth in the Indenture, and the accuracy of certain representations included in the closing transcript for the Series 2023 Bonds, interest on the Series 2023 Bonds is, under Section 103 of the Code, excludable from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax; however, such interest is taken into account in determining the adjusted financial statement income of applicable corporations for the purpose of computing the alternative minimum tax imposed on such corporations for tax years beginning after December 31, 2022. See "TAX MATTERS" herein for a description of certain other federal tax consequences of ownership of the Series 2023 Bonds. Bond Counsel is further of the opinion that, pursuant to the Act, the Series 2023 Bonds and the interest thereon are exempt from taxation under the laws of the State of Florida, except as to estate taxes and taxes imposed by Chapter 220, Florida Statutes, on interest, income or profits on debt obligations owned by corporations as defined in Chapter 220.*

**VERANDA COMMUNITY DEVELOPMENT DISTRICT II  
(CITY OF PORT ST. LUCIE, FLORIDA)**

**\$[12,575,000]\***

**Special Assessment Revenue and Refunding  
Bonds, Series 2023  
(Assessment Area Three –  
Preserve East Project)**

**\$[6,295,000]\***

**Special Assessment Revenue and Refunding  
Bonds, Series 2023  
(Assessment Area Five – Phase 2 –  
Veranda Estates Project)**

**Dated: Date of Delivery**

**Due: As shown below**

The Veranda Community Development District II Special Assessment Revenue and Refunding Bonds, Series 2023 (Assessment Area Three – Preserve East Project) (the "Assessment Area Three Bonds") and Special Assessment Revenue and Refunding Bonds, Series 2023 (Assessment Area Five – Phase 2 – Veranda Estates Project) (the "Assessment Area Five – Phase 2 Bonds") and, together with the Assessment Area Three Bonds, the "Series 2023 Bonds") are being issued by Veranda Community Development District II (the "District" or "Issuer") only in fully registered form, without coupons, in denominations of \$5,000 and any integral multiple thereof.

The District is a local unit of special purpose government of the State of Florida, created pursuant to the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the "Act"), and by Ordinance 18-30 enacted by the City Council of the City of Port St. Lucie, Florida (the "City"), which became effective on July 9, 2018 (the "Ordinance"). The District was created for the purpose of delivering certain community development services and facilities for the benefit of District Lands (as hereinafter defined) and has previously determined to undertake in one or more stages, the acquisition and/or construction of public improvements and community facilities as set forth in the Act for the special benefit of certain District Lands.

The Assessment Area Three Bonds and the Assessment Area Five – Phase 2 Bonds will bear interest at the fixed rates set forth below, calculated on the basis of a 360-day year comprised of twelve 30-day months, payable semi-annually on each May 1 and November 1, commencing May 1, 2024. The Series 2023 Bonds, when issued, will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company ("DTC") of New York, New York. Purchases of beneficial interests in the Series 2023 Bonds will be made only in book-entry form. Accordingly, principal of and interest on the Series 2023 Bonds will be paid from sources described below by U.S. Bank Trust Company, National Association, as successor trustee (the "Trustee"), directly to Cede & Co., as the registered owner thereof. Disbursements of such payments to the Direct Participants (as hereinafter defined) is the responsibility of DTC, and disbursements of such payments to the beneficial owners is the responsibility of the Direct Participants and the Indirect Participants (as hereinafter defined), as more fully described herein. Any purchaser of a beneficial interest in a Series 2023 Bond must maintain an account with a broker or dealer who is, or acts through, a Direct Participant to receive payment of the principal of and interest on such Series 2023 Bond. See "DESCRIPTION OF THE SERIES 2023 BONDS – Book-Entry Only System" herein.

The Series 2023 Bonds are being issued by the District pursuant to the Act, Resolution Nos. 2018-32 and 2024-[\_\_\_\_], adopted by the Board of Supervisors of the District (the "Board") on July 17, 2018 and [November 16], 2023, respectively (collectively, the "Bond Resolution"), and a Master Trust Indenture dated as of December 1, 2018 (the "Master Indenture"), as amended and supplemented with respect to the Assessment Area Three Bonds by a Sixth Supplemental Trust Indenture dated as of [November] 1, 2023 (the "Sixth Supplemental Indenture" and, together with the Master Indenture, the "Assessment Area Three Indenture"), and with respect to the Assessment Area Five – Phase 2 Bonds by a Seventh Supplemental Trust Indenture dated as of [November] 1, 2023 (the "Seventh Supplemental Indenture" and, together with the Master Indenture, the "Assessment Area Five – Phase 2 Indenture") (the Assessment Area Three Indenture and the Assessment Area Five – Phase 2 Indenture collectively referred to herein as the "Indentures"), each by and between the District and the Trustee. Capitalized terms not defined herein shall have the meanings assigned to them in the Indentures. See "APPENDIX A: COPY OF MASTER INDENTURE AND PROPOSED FORMS OF SUPPLEMENTAL INDENTURES" herein.

Proceeds of the Assessment Area Three Bonds will be used for the purposes of providing funds: (i) to refund a portion of the outstanding Series 2018B Bonds (as defined herein), (ii) to finance a portion of the Cost of acquisition, construction, installation and equipping of the

Assessment Area Three Project (as defined herein); (iii) [to pay a portion of the interest coming due on the Assessment Area Three Bonds]; (iv) to pay certain costs associated with the issuance of the Assessment Area Three Bonds; and (v) to fund the Assessment Area Three Debt Service Reserve Account (as defined herein) as provided in the Assessment Area Three Indenture. See "ESTIMATED SOURCES AND USES OF FUNDS" herein.

Proceeds of the Assessment Area Five – Phase 2 Bonds will be used for the purposes of providing funds: (i) to refund a portion of the outstanding Series 2018B Bonds; (ii) to finance a portion of the Cost of acquisition, construction, installation and equipping of the Assessment Area Five – Phase 2 Project (as defined herein); (iii) to pay a portion of the interest coming due on the Assessment Area Five – Phase 2 Bonds; (iv) to pay certain costs associated with the issuance of the Assessment Area Five – Phase 2 Bonds; and (v) to fund the Assessment Area Five – Phase 2 Debt Service Reserve Account (as defined herein) as provided in the Assessment Area Five – Phase 2 Indenture. See "ESTIMATED SOURCES AND USES OF FUNDS" herein.

The Assessment Area Three Bonds will be secured by a pledge of the Assessment Area Three Pledged Revenues. "Assessment Area Three Pledged Revenues" shall mean (a) all revenues received by the District from the Assessment Area Three Special Assessments (as defined herein), including, without limitation, amounts received from any foreclosure proceeding for the enforcement of collection of such Assessment Area Three Special Assessments or from the issuance and sale of tax certificates with respect to such Assessment Area Three Special Assessments and (b) all moneys on deposit in the Funds and Accounts established under the Assessment Area Three Indenture with respect to the Assessment Area Three Bonds; provided, however, that Assessment Area Three Pledged Revenues shall not include (A) any moneys transferred to the Assessment Area Three Rebate Fund, or investment earnings thereon and (B) "special assessments" levied and collected by the District under Section 190.022 of the Act for maintenance purposes or "maintenance special assessments" levied and collected by the District under Section 190.021(3) of the Act (it being expressly understood that the lien and pledge of the Assessment Area Three Indenture shall not apply to any of the moneys described in the foregoing clauses (A) and (B) of this proviso). See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2023 BONDS" herein.

The Assessment Area Five – Phase 2 Bonds will be secured by a pledge of the Assessment Area Five – Phase 2 Pledged Revenues. "Assessment Area Five – Phase 2 Pledged Revenues" shall mean (a) all revenues received by the District from the Assessment Area Five – Phase 2 Special Assessments (as defined herein), including, without limitation, amounts received from any foreclosure proceeding for the enforcement of collection of such Assessment Area Five – Phase 2 Special Assessments or from the issuance and sale of tax certificates with respect to such Assessment Area Five – Phase 2 Special Assessments, and (b) all moneys on deposit in the Funds and Accounts established under the Assessment Area Five – Phase 2 Indenture with respect to the Assessment Area Five – Phase 2 Bonds; provided, however, that Assessment Area Five – Phase 2 Pledged Revenues shall not include (A) any moneys transferred to the Assessment Area Five – Phase 2 Rebate Fund, or investment earnings thereon and (B) "special assessments" levied and collected by the District under Section 190.022 of the Act for maintenance purposes or "maintenance special assessments" levied and collected by the District under Section 190.021(3) of the Act (it being expressly understood that the lien and pledge of the Assessment Area Five – Phase 2 Indenture shall not apply to any of the moneys described in the foregoing clauses (A) and (B) of this proviso). See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2023 BONDS" herein.

The Assessment Area Three Bonds and the Assessment Area Five – Phase 2 Bonds are subject to optional, mandatory sinking fund and extraordinary mandatory redemption at the times, in the amounts and at the redemption prices as more fully described herein. See "DESCRIPTION OF THE SERIES 2023 BONDS – Redemption Provisions" herein.

THE ASSESSMENT AREA THREE BONDS AND THE ASSESSMENT AREA FIVE – PHASE 2 BONDS ARE LIMITED OBLIGATIONS OF THE DISTRICT, PAYABLE SOLELY OUT OF THE ASSESSMENT AREA THREE PLEDGED REVENUES AND THE ASSESSMENT AREA FIVE – PHASE 2 PLEDGED REVENUES, RESPECTIVELY, PLEDGED THEREFOR UNDER THE RESPECTIVE INDENTURES, AND NEITHER THE PROPERTY, THE FULL FAITH AND CREDIT, NOR THE TAXING POWER OF THE DISTRICT, THE CITY, ST. LUCIE COUNTY, FLORIDA (THE "COUNTY"), THE STATE OF FLORIDA (THE "STATE"), OR ANY POLITICAL SUBDIVISION THEREOF, IS PLEDGED AS SECURITY FOR THE PAYMENT OF THE SERIES 2023 BONDS, EXCEPT THAT THE DISTRICT IS OBLIGATED UNDER THE INDENTURES TO LEVY, AND TO EVIDENCE AND CERTIFY, OR CAUSE TO BE CERTIFIED, FOR COLLECTION, ASSESSMENT AREA THREE SPECIAL ASSESSMENTS AND ASSESSMENT AREA FIVE – PHASE 2 SPECIAL ASSESSMENTS TO SECURE AND PAY THE RELATED SERIES OF THE SERIES 2023 BONDS. THE SERIES 2023 BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE DISTRICT, THE CITY, THE COUNTY, THE STATE, OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION.

The Series 2023 Bonds involve a degree of risk (see "BONDOWNERS' RISKS" herein) and are not suitable for all investors (see "SUITABILITY FOR INVESTMENT" herein). The Underwriter named below is limiting this offering to "accredited investors" within the meaning of Chapter 517, Florida Statutes, and the rules of the Florida Department of Financial Services promulgated thereunder. The limitation of the initial offering to accredited investors does not denote restrictions on transfers in any secondary market for the Series 2023 Bonds. The Series 2023 Bonds are not credit enhanced or rated and no application has been made for a rating with respect to the Series 2023 Bonds.

This cover page contains information for quick reference only. It is not a summary of the Series 2023 Bonds. Investors must read the entire Limited Offering Memorandum to obtain information essential to the making of an informed investment decision.

#### MATURITY SCHEDULE

\$ _____	– _____ %	Assessment Area Three Term Bond due _____	1, 20 __, Yield _____ %	, Price _____	CUSIP # _____	**
\$ _____	– _____ %	Assessment Area Three Term Bond due _____	1, 20 __, Yield _____ %	, Price _____	CUSIP # _____	**
\$ _____	– _____ %	Assessment Area Three Term Bond due _____	1, 20 __, Yield _____ %	, Price _____	CUSIP # _____	**
\$ _____	– _____ %	Assessment Area Five – Phase 2 Term Bond due _____	1, 20 __, Yield _____ %	, Price _____	CUSIP # _____	**
\$ _____	– _____ %	Assessment Area Five – Phase 2 Term Bond due _____	1, 20 __, Yield _____ %	, Price _____	CUSIP # _____	**
\$ _____	– _____ %	Assessment Area Five – Phase 2 Term Bond due _____	1, 20 __, Yield _____ %	, Price _____	CUSIP # _____	**

The initial sale of the Series 2023 Bonds is subject to certain conditions precedent, including, without limitation, receipt of the opinion of Akerman LLP, Jacksonville, Florida, Bond Counsel, as to the validity of the Series 2023 Bonds and the excludability of interest thereon from gross income for federal income tax purposes. Certain legal matters will be passed upon for the District by its counsel, Kutak Rock LLP, Tallahassee, Florida, for the Assessment Area Three Landowner (as defined herein) by its counsel, Lewis, Longman & Walker, P.A., West Palm Beach, Florida, for the Assessment Area Three Development Manager (as defined herein) by its counsel, Holland & Knight, LLP, Fort Lauderdale, Florida, for the Assessment Area Five Landowner (as defined herein) by its counsel, Mahoney Law Group, P.A., Clearwater, Florida, and for the Underwriter by its counsel, GrayRobinson, P.A., Tampa, Florida. It is expected that the Series 2023 Bonds will be delivered in book-entry form through the facilities of DTC on or about \_\_\_\_\_, 2023.

## **FMSbonds, Inc.**

Dated: \_\_\_\_\_, 2023

\* Preliminary, subject to change.

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



## **VERANDA COMMUNITY DEVELOPMENT DISTRICT II**

### **BOARD OF SUPERVISORS**

Graydon E. Miars, Chairman\*

R. Austin Burr, Vice Chair\*

James "Bo" Jahna, Assistant Secretary[\*]

Ben Meyers, Assistant Secretary\*

Robert Nelson, Assistant Secretary\*

\* Employee of an affiliate of the Assessment Area Five Landowner

### **DISTRICT MANAGER/METHODOLOGY CONSULTANT**

Rizzetta & Company, Incorporated  
Tampa, Florida

### **DISTRICT COUNSEL**

Kutak Rock LLP  
Tallahassee, Florida

### **BOND COUNSEL**

Akerman LLP  
Jacksonville, Florida

### **CONSULTING ENGINEER**

Culpepper and Terpening, Inc.  
Ft. Pierce, Florida

NO DEALER, BROKER, SALESPERSON OR OTHER PERSON HAS BEEN AUTHORIZED BY THE DISTRICT TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS, OTHER THAN THOSE CONTAINED IN THIS LIMITED OFFERING MEMORANDUM, AND IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE DISTRICT. THIS LIMITED OFFERING MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY OF THE SERIES 2023 BONDS AND THERE SHALL BE NO OFFER, SOLICITATION, OR SALE OF THE SERIES 2023 BONDS BY ANY PERSON IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL FOR SUCH PERSON TO MAKE SUCH OFFER, SOLICITATION OR SALE.

THE INFORMATION SET FORTH HEREIN HAS BEEN OBTAINED FROM THE LANDOWNERS AND THE ASSESSMENT AREA THREE DEVELOPMENT MANAGER (EACH AS HEREINAFTER DEFINED), THE DISTRICT, PUBLIC DOCUMENTS, RECORDS AND OTHER SOURCES, WHICH SOURCES ARE BELIEVED TO BE RELIABLE BUT WHICH INFORMATION IS NOT GUARANTEED AS TO ACCURACY OR COMPLETENESS BY, AND IS NOT TO BE CONSTRUED AS A REPRESENTATION OF, THE UNDERWRITER NAMED ON THE COVER PAGE OF THIS LIMITED OFFERING MEMORANDUM. THE UNDERWRITER HAS REVIEWED THE INFORMATION IN THIS LIMITED OFFERING MEMORANDUM IN ACCORDANCE WITH, AND AS PART OF, ITS RESPONSIBILITIES TO INVESTORS UNDER THE FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THIS TRANSACTION, BUT THE UNDERWRITER DOES NOT GUARANTEE THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION. THE INFORMATION AND EXPRESSIONS OF OPINION HEREIN CONTAINED ARE SUBJECT TO CHANGE WITHOUT NOTICE AND NEITHER THE DELIVERY OF THIS LIMITED OFFERING MEMORANDUM, NOR ANY SALE MADE HEREUNDER, SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE DISTRICT, THE LANDOWNERS OR THE ASSESSMENT AREA THREE DEVELOPMENT MANAGER, OR IN THE STATUS OF THE DEVELOPMENT OR THE 2023 PROJECTS (EACH AS DEFINED HEREIN) SINCE THE DATE HEREOF.

THE SERIES 2023 BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR HAVE THE INDENTURES BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON CERTAIN EXEMPTIONS SET FORTH IN SUCH ACTS. THE REGISTRATION, QUALIFICATION OR EXEMPTION OF THE SERIES 2023 BONDS IN ACCORDANCE WITH THE APPLICABLE SECURITIES LAW PROVISIONS OF ANY JURISDICTIONS WHEREIN THESE SECURITIES HAVE BEEN OR WILL BE REGISTERED, QUALIFIED OR EXEMPTED SHOULD NOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THE DISTRICT, THE CITY, THE COUNTY, THE STATE, NOR ANY OTHER POLITICAL SUBDIVISIONS THEREOF HAVE GUARANTEED OR PASSED UPON THE MERITS OF THE SERIES 2023 BONDS, UPON THE PROBABILITY OF ANY EARNINGS THEREON OR UPON THE ACCURACY OR ADEQUACY OF THIS LIMITED OFFERING MEMORANDUM.

"FORWARD-LOOKING STATEMENTS" ARE USED IN THIS DOCUMENT BY USING FORWARD LOOKING WORDS SUCH AS "MAY," "WILL," "SHOULD," "INTENDS," "EXPECTS," "BELIEVES," "ANTICIPATES," "ESTIMATES," OR OTHERS. THE READER IS CAUTIONED THAT FORWARD-LOOKING STATEMENTS ARE SUBJECT TO A VARIETY OF UNCERTAINTIES THAT COULD CAUSE ACTUAL RESULTS TO DIFFER FROM THE PROJECTED RESULTS. THOSE RISKS AND UNCERTAINTIES INCLUDE GENERAL ECONOMIC AND BUSINESS CONDITIONS, CONDITIONS IN THE FINANCIAL MARKETS AND REAL ESTATE MARKET, THE DISTRICT'S COLLECTION OF 2023 SPECIAL ASSESSMENTS (AS DEFINED HEREIN), AND VARIOUS OTHER FACTORS WHICH MAY BE BEYOND THE CONTROL OF THE DISTRICT, THE LANDOWNERS AND THE ASSESSMENT AREA THREE DEVELOPMENT MANAGER. BECAUSE THE DISTRICT, THE LANDOWNERS AND THE ASSESSMENT AREA THREE DEVELOPMENT MANAGER CANNOT PREDICT ALL FACTORS THAT MAY AFFECT FUTURE DECISIONS, ACTIONS, EVENTS, OR FINANCIAL CIRCUMSTANCES, WHAT ACTUALLY HAPPENS MAY BE DIFFERENT FROM WHAT IS INCLUDED IN FORWARD-LOOKING STATEMENTS.

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

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

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

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**VERANDA COMMUNITY DEVELOPMENT DISTRICT II  
(CITY OF PORT ST. LUCIE, FLORIDA)**

**\$[12,575,000]\*  
Special Assessment Revenue and  
Refunding Bonds, Series 2023  
(Assessment Area Three – Preserve East  
Project)**

**\$[6,295,000]\*  
Special Assessment Revenue and Refunding  
Bonds, Series 2023  
(Assessment Area Five – Phase 2 – Veranda  
Estates Project)**

**INTRODUCTION**

**Overview**

The purpose of this Limited Offering Memorandum is to set forth certain information in connection with the offering for sale by the Veranda Community Development District II (the "District" or "Issuer") of its \$[12,575,000]\* Special Assessment Revenue and Refunding Bonds, Series 2023 (Assessment Area Three – Preserve East Project) (the "Assessment Area Three Bonds") and its \$[6,295,000]\* Special Assessment Revenue and Refunding Bonds, Series 2023 (Assessment Area Five – Phase 2 – Veranda Estates Project) (the "Assessment Area Five – Phase 2 Bonds" and, together with the Assessment Area Three Bonds, the "Series 2023 Bonds").

THE SERIES 2023 BONDS ARE NOT A SUITABLE INVESTMENT FOR ALL INVESTORS. PURSUANT TO APPLICABLE STATE LAW, THE UNDERWRITER IS LIMITING THIS INITIAL OFFERING OF THE SERIES 2023 BONDS TO ONLY ACCREDITED INVESTORS WITHIN THE MEANING OF THE RULES OF THE FLORIDA DEPARTMENT OF FINANCIAL SERVICES. THE LIMITATION OF THE INITIAL OFFERING TO ACCREDITED INVESTORS DOES NOT DENOTE RESTRICTIONS ON TRANSFERS IN ANY SECONDARY MARKET FOR THE SERIES 2023 BONDS. POTENTIAL INVESTORS ARE SOLELY RESPONSIBLE FOR EVALUATING THE MERITS AND RISKS OF AN INVESTMENT IN THE SERIES 2023 BONDS. SEE "BONDOWNERS' RISKS" AND "SUITABILITY FOR INVESTMENT" HEREIN.

The District was created pursuant to the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the "Act"), and by Ordinance 18-30 enacted by the City Council of the City of Port St. Lucie, Florida (the "City"), which became effective on July 9, 2018, as amended (the "Ordinance"). The District was created for the purpose of delivering certain community development services and facilities for the benefit of District Lands (as defined herein) and has previously determined to undertake, in one or more stages, the acquisition and/or construction of public improvements and community facilities as set forth in the Act for the special benefit of the District Lands. The Act authorizes the District to issue bonds for the purposes of, among others, financing, funding, planning, establishing, acquiring, constructing or reconstructing, enlarging or extending, or equipping water management, water supply, sewer and wastewater management, bridges or culverts, public roads, street lights and other basic infrastructure projects within or without the boundaries of the District as provided in the Act.

The boundaries of the District include approximately 754.75 gross acres of land (the "District Lands") located within the corporate boundaries of the City in the southeastern portion of St. Lucie County, Florida (the "County"). The District Lands are being developed as a series of residential developments known as "Veranda Gardens," "Veranda Preserve," "Veranda Oaks" and "Veranda Estates" (collectively, the "Development"). At buildout, the Development is planned to contain approximately 1,576 single-family

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\* Preliminary, subject to change.

residential units, together with associated recreational amenities and parks. See "THE DEVELOPMENT" herein for more information regarding the development plan and status of the Development.

The District previously issued its Special Assessment Revenue Bonds, Series 2018A (Assessment Area One – Gardens East Project) (the "Assessment Area One Bonds"), its Special Assessment Revenue Bonds, Series 2018A (Assessment Area Two – Preserve West Project) (the "Assessment Area Two Bonds"), its Special Assessment Revenue Bonds, Series 2018B (Assessment Areas Three, Four and Five) (the "Series 2018B Bonds"), its Special Assessment Revenue and Refunding Bonds, Series 2021 (Assessment Area Four – Veranda Oaks Project) (the "Assessment Area Four Bonds"), and its Special Assessment Revenue and Refunding Bonds, Series 2021 (Assessment Area Five – Phase 1 – Veranda Estates Project) (the "Assessment Area Five – Phase 1 Bonds") (collectively, the "Prior Bonds") to finance certain public infrastructure improvements associated with the development of Assessment Area One, Assessment Area Two, Assessment Area Four, Assessment Area Five – Phase 1 (each as defined herein) and certain master infrastructure improvements (collectively, the "Prior Projects"). See "THE DISTRICT – Outstanding Bond Indebtedness" and "THE CAPITAL IMPROVEMENT PLAN AND THE 2023 PROJECTS" herein for more information regarding the Prior Bonds and the Prior Projects and "THE DEVELOPMENT – Update on Prior Phases" herein for more information regarding the development status of the prior Assessment Areas.

### **Assessment Area Three Bonds**

The Assessment Area Three Bonds are being issued to finance certain public infrastructure improvements associated with the development of Assessment Area Three (the "Assessment Area Three Project"). See "THE CAPITAL IMPROVEMENT PLAN AND THE 2023 PROJECTS" for more information. "Assessment Area Three" corresponds to the portion of the Development referred to as Veranda Preserve East, which contains approximately 158 acres planned for 464 single-family lots. See "THE DEVELOPMENT" herein for more information. The Assessment Area Three Bonds will be secured by special assessments that will initially be levied on the 158 acres within Assessment Area Three (the "Assessment Area Three Special Assessments"). As lots are platted therein, the Assessment Area Three Special Assessments will be assigned to the 464 lots planned for Assessment Area Three on a first-platted, first-assigned basis, as set forth in the Assessment Methodology. See "ASSESSMENT METHODOLOGY AND THE ALLOCATION OF ASSESSMENT" herein.

AG EHC II (LEN) Multi State 1, LLC, a Delaware limited liability company (the "Assessment Area Three Landowner") is the sole landowner within Assessment Area Three. The Assessment Area Three Landowner has entered into the Assessment Area Three Construction Agreement (as defined herein) with Lennar Homes, LLC, a Florida limited liability company (the "Assessment Area Three Development Manager" or "Lennar Homes"), pursuant to which the Assessment Area Three Development Manager will manage the installation of the infrastructure improvements for Assessment Area Three, which will be funded by the Assessment Area Three Landowner. In addition, the Assessment Area Three Landowner has entered into the Assessment Area Three Option Agreement (as defined herein) with Lennar Homes pursuant to which Lennar Homes has the option to purchase all of the developed lots in Assessment Area Three. See "THE DEVELOPMENT – Option and Builder Contracts" and "THE LANDOWNERS – The Assessment Area Three Landowner" and " – The Assessment Area Three Development Manager" herein for more information.

Proceeds of the Assessment Area Three Bonds will be used for the purposes of providing funds: (i) to refund a portion of the outstanding Series 2018B Bonds, (ii) to finance a portion of the Cost of acquisition, construction, installation and equipping of the Assessment Area Three Project; (iii) [to pay a portion of the interest coming due on the Assessment Area Three Bonds]; (iv) to pay certain costs associated with the issuance of the Assessment Area Three Bonds; and (v) to fund the Assessment Area Three Debt



Service Reserve Account (as defined herein). See "ESTIMATED SOURCES AND USES OF FUNDS" herein.

The Assessment Area Three Bonds will be secured by a pledge of the Assessment Area Three Pledged Revenues (as defined herein), which consist primarily of the revenues received by the District from the Assessment Area Three Special Assessments. See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2023 BONDS" herein.

### **Assessment Area Five – Phase 2 Bonds**

The Assessment Area Five – Phase 2 Bonds are being issued to finance certain public infrastructure improvements associated with the development of Assessment Area Five – Phase 2 (the "Assessment Area Five – Phase 2 Project" and, together with the Assessment Area Three Project, the "2023 Projects"). See "THE CAPITAL IMPROVEMENT PLAN AND THE 2023 PROJECTS" for more information. "Assessment Area Five – Phase 2" corresponds to the second phase of that portion of the Development referred to as Veranda Estates, which phase contains approximately 119 acres planned for 122 single-family lots. See "THE DEVELOPMENT" herein for more information. The Assessment Area Five – Phase 2 Bonds will be secured by special assessments that will initially be levied on the 119 acres within Assessment Area Five – Phase 2 (the "Assessment Area Five – Phase 2 Special Assessments"). As lots are platted therein, the Assessment Area Five – Phase 2 Special Assessments will be assigned to the 122 lots planned for Assessment Area Five – Phase 2 on a first-platted, first-assigned basis, as set forth in the Assessment Methodology. See "ASSESSMENT METHODOLOGY AND THE ALLOCATION OF ASSESSMENT" herein.

Veranda St. Lucie Land Holdings, LLC, a Delaware limited liability company (the "Assessment Area Five Landowner" and, together with the Assessment Area Three Landowner, the "Landowners"), is the sole landowner within Assessment Area Five – Phase 2. See "THE LANDOWNERS – The Assessment Area Five Landowner" herein for more information. The Assessment Area Five Landowner has entered into a builder contract with Kolter to purchase all 238 finished lots planned for Assessment Area Five, including the 122 lots planned for Phase 2. See "–Option and Builder Contracts" below for more information.

Proceeds of the Assessment Area Five – Phase 2 Bonds will be used for the purposes of providing funds to: (i) to refund a portion of the outstanding Series 2018B Bonds, (ii) to finance a portion of the Cost of acquisition, construction, installation and equipping of the Assessment Area Five – Phase 2 Project; (iii) to pay a portion of the interest coming due on the Assessment Area Five – Phase 2 Bonds; (iv) to pay certain costs associated with the issuance of the Assessment Area Five – Phase 2 Bonds; and (v) to fund the Assessment Area Five – Phase 2 Debt Service Reserve Account (as defined herein). See "ESTIMATED SOURCES AND USES OF FUNDS" herein.

The Assessment Area Five – Phase 2 Bonds will be secured by a pledge of the Assessment Area Five – Phase 2 Pledged Revenues, which consist primarily of the revenues received by the District from the Assessment Area Five – Phase 2 Special Assessments. See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2023 BONDS" herein.

### **Authorization**

The Series 2023 Bonds are being issued by the District pursuant to the Act, Resolution Nos. 2018-32 and 2024-[ ], adopted by the Board of Supervisors of the District (the "Board") on July 17, 2018 and [November 16], 2023, respectively (collectively, the "Bond Resolution"), and a Master Trust Indenture dated as of December 1, 2018 (the "Master Indenture"), as amended and supplemented with respect to the

Assessment Area Three Bonds by a Sixth Supplemental Trust Indenture dated as of [November] 1, 2023 (the "Sixth Supplemental Indenture" and, together with the Master Indenture, the "Assessment Area Three Indenture"), and with respect to the Assessment Area Five – Phase 2 Bonds by a Seventh Supplemental Trust Indenture dated as of [November] 1, 2023 (the "Seventh Supplemental Indenture" and, together with the Master Indenture, the "Assessment Area Five – Phase 2 Indenture") (the Assessment Area Three Indenture and the Assessment Area Five – Phase 2 Indenture collectively referred to herein as the "Indentures"), each by and between the District and U.S. Bank Trust Company, National Association, as successor trustee (the "Trustee"). Capitalized terms not defined herein shall have the meanings assigned to them in the respective Indentures. See "APPENDIX A: COPY OF MASTER INDENTURE AND PROPOSED FORMS OF SUPPLEMENTAL INDENTURES" attached hereto.

There follows in this Limited Offering Memorandum a brief description of the District, the Landowners, the Development and the 2023 Projects, and summaries of the terms of each Series of the Series 2023 Bonds, the Indentures and certain provisions of the Act. All references herein to the Indentures, the Act or any other Florida Statute are qualified in their entirety by reference to such documents and statute, and all references to the Assessment Area Three Bonds and the Assessment Area Five – Phase 2 Bonds are qualified by reference to the respective definitive forms thereof and the information with respect thereto contained in the respective Indentures. A copy of the Master Indenture and proposed forms of the Sixth Supplemental Indenture and Seventh Supplemental Indenture appear in APPENDIX A attached hereto.

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

## **DESCRIPTION OF THE SERIES 2023 BONDS**

### **General Description**

The Series 2023 Bonds are issuable only as fully registered bonds, without coupons, in the denominations of \$5,000 and any integral multiple thereof. The Series 2023 Bonds will mature, subject to the redemption provisions set forth herein, on the dates and in the amounts set forth on the cover page hereof.

Each Series 2023 Bond shall be dated the date of delivery. Interest on the Series 2023 Bonds shall be payable on each Interest Payment Date to maturity or prior redemption. "Interest Payment Date" means May 1 and November 1 of each year, commencing May 1, 2024. Each Series 2023 Bond shall bear interest from the Interest Payment Date to which interest has been paid next preceding the date of its authentication, unless the date of its authentication is a May 1 or November 1 to which interest has been paid, in which case from such date of authentication or unless the date is prior to May 1, 2024, in which case from May 1, 2024, or unless the date of authentication hereof is between a Record Date and the next succeeding interest payment date, in which case from such interest payment date. Interest shall be computed on the basis of a 360-day year of twelve 30-day months.

The Series 2023 Bonds shall be initially issued in the form of a separate single certificated fully registered Series 2023 Bond for each maturity thereof. Upon initial issuance, the ownership of each such Series 2023 Bond shall be registered in the registration books kept by the Bond Registrar in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), the initial Bond Depository. See "DESCRIPTION OF THE SERIES 2023 BONDS – Book-Entry System" herein.

The Series 2023 Bonds will initially be sold only to "accredited investors" within the meaning under Chapter 517, Florida Statutes, as amended, and the rules of the Florida Department of Financial

Services promulgated thereunder, although there is no limitation on resales of the Series 2023 Bonds. See "SUITABILITY FOR INVESTMENT" below.

U.S. Bank Trust Company, National Association is initially serving as the Trustee, Registrar and Paying Agent for the Series 2023 Bonds.

## **Redemption Provisions**

### **Optional Redemption**

#### Assessment Area Three Bonds

The Assessment Area Three Bonds may, at the option of the District, be called for redemption prior to maturity in whole or in part on any date on or after \_\_\_\_\_ 1, 20\_\_ (the maturities to be selected by the District and if less than all of a maturity, the Assessment Area Three Bonds to be selected as provided in the Master Indenture), at the Redemption Price of 100% of their principal amount plus accrued interest from the most recent Interest Payment Date to the redemption date.

#### Assessment Area Five – Phase 2 Bonds

The Assessment Area Five – Phase 2 Bonds may, at the option of the District, be called for redemption prior to maturity in whole or in part on any date on or after \_\_\_\_\_ 1, 20\_\_ (the maturities to be selected by the District and if less than all of a maturity, the Assessment Area Five – Phase 2 Bonds to be selected as provided in the Master Indenture), at the Redemption Price of 100% of their principal amount plus accrued interest from the most recent Interest Payment Date to the redemption date.

### **Mandatory Sinking Fund Redemption**

#### Assessment Area Three Bonds

The Assessment Area Three Bonds maturing on May 1, 20\_\_, are subject to mandatory redemption in part by the District by lot prior to their scheduled maturity from moneys in the Assessment Area Three Sinking Fund Account established under the Assessment Area Three Indenture in satisfaction of applicable Sinking Fund Installments at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

Year	Principal
<u>(May 1)</u>	<u>Amount</u>

\*

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\* Maturity.

The Assessment Area Three Bonds maturing on May 1, 20\_\_, are subject to mandatory redemption in part by the District by lot prior to their scheduled maturity from moneys in the Assessment Area Three

Sinking Fund Account established under the Assessment Area Three Indenture in satisfaction of applicable Sinking Fund Installments at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

<u>Year</u> <u>(May 1)</u>	<u>Principal</u> <u>Amount</u>
-------------------------------	-----------------------------------

\*

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\* Maturity.

The Assessment Area Three Bonds maturing on May 1, 20\_\_, are subject to mandatory redemption in part by the District by lot prior to their scheduled maturity from moneys in the Assessment Area Three Sinking Fund Account established under the Assessment Area Three Indenture in satisfaction of applicable Sinking Fund Installments at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

<u>Year</u> <u>(May 1)</u>	<u>Principal</u> <u>Amount</u>
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\*

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\* Maturity.

Upon any redemption of Assessment Area Three Bonds other in accordance with scheduled Sinking Fund Installments, the District shall cause to be recalculated and delivered to the Trustee revised Sinking Fund Installments recalculated so as to amortize the Outstanding principal of the Assessment Area Three Bonds in substantially equal annual installments of principal and interest (subject to rounding to Authorized Denominations of principal) over the remaining term of the Assessment Area Three Bonds.

#### Assessment Area Five – Phase 2 Bonds

The Assessment Area Five – Phase 2 Bonds maturing on May 1, 20\_\_, are subject to mandatory redemption in part by the District by lot prior to their scheduled maturity from moneys in the Assessment Area Five – Phase 2 Sinking Fund Account established under the Assessment Area Five – Phase 2 Indenture in satisfaction of applicable Sinking Fund Installments at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

Year <u>(May 1)</u>	Principal <u>Amount</u>
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\*

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\* Maturity.

The Assessment Area Five – Phase 2 Bonds maturing on May 1, 20\_\_, are subject to mandatory redemption in part by the District by lot prior to their scheduled maturity from moneys in the Assessment Area Five – Phase 2 Sinking Fund Account established under the Assessment Area Five – Phase 2 Indenture in satisfaction of applicable Sinking Fund Installments at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

Year <u>(May 1)</u>	Principal <u>Amount</u>
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\*

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\* Maturity.

The Assessment Area Five – Phase 2 Bonds maturing on May 1, 20\_\_, are subject to mandatory redemption in part by the District by lot prior to their scheduled maturity from moneys in the Assessment Area Five – Phase 2 Sinking Fund Account established under the Assessment Area Five – Phase 2 Indenture in satisfaction of applicable Sinking Fund Installments at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

Year <u>(May 1)</u>	Principal <u>Amount</u>
------------------------	----------------------------

\*

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\* Maturity.

Upon any redemption of Assessment Area Five – Phase 2 Bonds other in accordance with scheduled Sinking Fund Installments, the District shall cause to be recalculated and delivered to the Trustee revised Sinking Fund Installments recalculated so as to amortize the Outstanding principal of the Assessment Area Five – Phase 2 Bonds in substantially equal annual installments of principal and interest (subject to rounding to Authorized Denominations of principal) over the remaining term of the Assessment Area Five – Phase 2 Bonds.

### **Extraordinary Mandatory Redemption**

#### **Assessment Area Three Bonds**

The Assessment Area Three Bonds are subject to extraordinary mandatory redemption prior to maturity by the District in whole, on any date, or in part, on any "Quarterly Redemption Date" (defined as each February 1, May 1, August 1 and November 1), at an extraordinary mandatory Redemption Price equal to 100% of the principal amount of the Assessment Area Three Bonds to be redeemed, plus interest accrued to the redemption date, as follows:

(i) from Assessment Area Three Prepayment Principal deposited into the Assessment Area Three Prepayment Subaccount following the prepayment in whole or in part of Assessment Area Three Special Assessments in accordance with the provisions of the Sixth Supplemental Indenture, including excess moneys transferred from the Assessment Area Three Debt Service Reserve Account to the Assessment Area Three Prepayment Subaccount resulting from such Assessment Area Three Prepayments pursuant to the Sixth Supplemental Indenture;

(ii) from moneys, if any, on deposit in the Assessment Area Three Accounts and Subaccounts in the Assessment Area Three Funds and Accounts (other than the Rebate Fund) sufficient to pay and redeem all Assessment Area Three Outstanding Bonds and accrued interest thereon to the redemption date or dates in addition to all amounts owed to Persons under the Master Indenture;

(iii) on or after the Completion Date of the Assessment Area Three Project, by application of moneys remaining in the Assessment Area Three Acquisition and Construction Account not reserved by the District for the payment of any remaining part of the Cost of the Assessment Area Three Project (as specified in a written certificate from the District to the Trustee specifying the amount to be reserved), all of which shall be transferred as specified in the Sixth Supplemental Indenture to the Assessment Area Three General Subaccount, credited toward extinguishment of the Assessment Area Three Special Assessments in the manner provided by law and the Assessment Resolutions and applied toward the redemption of the Assessment Area Three Bonds in accordance with the manner it has credited such excess moneys toward extinguishment of Assessment Area Three Special Assessments which the District shall describe to the Trustee in writing; and

(iv) from amounts on deposit in the Assessment Area Three Debt Service Reserve Account in excess of the Debt Service Reserve Requirement for the Assessment Area Three Bonds and transferred to the Assessment Area Three General Subaccount in accordance with the Master Indenture and the Sixth Supplemental Indenture to be used for the extraordinary mandatory redemption of the Assessment Area Three Bonds.

#### **Assessment Area Five – Phase 2 Bonds**

The Assessment Area Five – Phase 2 Bonds are subject to extraordinary mandatory redemption prior to maturity by the District in whole, on any date, or in part, on any Quarterly Redemption Date, at an

extraordinary mandatory Redemption Price equal to 100% of the principal amount of the Assessment Area Five – Phase 2 Bonds to be redeemed, plus interest accrued to the redemption date, as follows:

(i) from Assessment Area Five – Phase 2 Prepayment Principal deposited into the Assessment Area Five – Phase 2 Prepayment Subaccount following the prepayment in whole or in part of Assessment Area Five – Phase 2 Special Assessments in accordance with the provisions of the Seventh Supplemental Indenture, including excess moneys transferred from the Assessment Area Five – Phase 2 Debt Service Reserve Account to the Assessment Area Five – Phase 2 Prepayment Subaccount resulting from such Assessment Area Five – Phase 2 Prepayments pursuant to the Seventh Supplemental Indenture;

(ii) from moneys, if any, on deposit in the Assessment Area Five Accounts and Subaccounts in the Assessment Area Five Funds and Accounts (other than the Rebate Fund) sufficient to pay and redeem all Assessment Area Five Outstanding Bonds and accrued interest thereon to the redemption date or dates in addition to all amounts owed to Persons under the Master Indenture;

(iii) on or after the Completion Date of the Assessment Area Five – Phase 2 Project, by application of moneys remaining in the Assessment Area Five – Phase 2 Acquisition and Construction Account not reserved by the District for the payment of any remaining part of the Cost of the Assessment Area Five – Phase 2 Project (as specified in a written certificate from the District to the Trustee specifying the amount to be reserved), all of which shall be transferred as specified in the Seventh Supplemental Indenture to the Assessment Area Five General Subaccount, credited toward extinguishment of the Assessment Area Five – Phase 2 Special Assessments in the manner provided by law and the Assessment Resolutions and applied toward the redemption of the Assessment Area Five – Phase 2 Bonds in accordance with the manner it has credited such excess moneys toward extinguishment of Assessment Area Five – Phase 2 Special Assessments which the District shall describe to the Trustee in writing; and

(iv) from amounts on deposit in the Assessment Area Five – Phase 2 Debt Service Reserve Account in excess of the Debt Service Reserve Requirement for the Assessment Area Five – Phase 2 Bonds and transferred to the Assessment Area Five General Subaccount in accordance with the Master Indenture and the Seventh Supplemental Indenture to be used for the extraordinary mandatory redemption of the Assessment Area Five – Phase 2 Bonds.

### **Notice of Redemption and of Purchase**

Notice of each redemption of Series 2023 Bonds is required to be mailed by the Bond Registrar, first class mail, postage prepaid, at least thirty (30) but not more than sixty (60) days prior to the redemption date to each registered Owner of Series 2023 Bonds to be redeemed (as such Owners appear on the Bond register on the fifth (5<sup>th</sup>) day prior to such mailing), at their registered address, but failure to mail any such notice or defect in the notice or in the mailing thereof shall not affect the validity of the redemption of the Series 2023 Bonds for which notice was duly mailed in accordance with the Master Indenture. The District shall, when it is directing the Trustee to mail such notice, provide written direction to the trustee at least thirty (30) days (unless the Trustee agrees to a shorter period) prior to the date on which the Trustee is required to send notice under the Master Indenture.

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

## **Book-Entry Only System**

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

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Series 2023 Bonds. The Series 2023 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2023 Bond certificate will be issued for each maturity of the Series 2023 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

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

Purchases of Series 2023 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2023 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2023 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 2023 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 2023 Bonds, except in the event that use of the book-entry system for the Series 2023 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2023 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Series 2023 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 2023 Bonds;



DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2023 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 2023 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2023 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2023 Bond documents. For example, Beneficial Owners of Series 2023 Bonds may wish to ascertain that the nominee holding the Series 2023 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2023 Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such Series 2023 Bonds to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2023 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2023 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and interest payments on the Series 2023 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or the Paying Agent on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Trustee, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District and/or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2023 Bonds at any time by giving reasonable notice to the District or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Series 2023 Bond certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry only transfers through DTC (or a successor securities depository). In that event, Series 2023 Bond certificates will be printed and delivered to DTC.

## SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2023 BONDS

### General

THE ASSESSMENT AREA THREE BONDS AND THE ASSESSMENT AREA FIVE – PHASE 2 BONDS ARE LIMITED OBLIGATIONS OF THE DISTRICT PAYABLE SOLELY OUT OF THE ASSESSMENT AREA THREE PLEDGED REVENUES AND THE ASSESSMENT AREA FIVE – PHASE 2 PLEDGED REVENUES, RESPECTIVELY, PLEDGED THEREFOR UNDER THE RESPECTIVE INDENTURES, AND NEITHER THE PROPERTY, THE FULL FAITH AND CREDIT, NOR THE TAXING POWER OF THE DISTRICT, THE CITY, THE COUNTY, THE STATE OF FLORIDA (THE "STATE"), OR ANY POLITICAL SUBDIVISION THEREOF, IS PLEDGED AS SECURITY FOR THE PAYMENT OF THE SERIES 2023 BONDS, EXCEPT THAT THE DISTRICT IS OBLIGATED UNDER THE INDENTURES TO LEVY, AND TO EVIDENCE AND CERTIFY, OR CAUSE TO BE CERTIFIED, FOR COLLECTION, ASSESSMENT AREA THREE SPECIAL ASSESSMENTS AND ASSESSMENT AREA FIVE – PHASE 2 SPECIAL ASSESSMENTS TO SECURE AND PAY THE RESPECTIVE SERIES OF THE SERIES 2023 BONDS. THE SERIES 2023 BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE DISTRICT, THE CITY, THE COUNTY, THE STATE, OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION.

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

The Assessment Area Five – Phase 2 Bonds will be secured by a pledge of the Assessment Area Five – Phase 2 Pledged Revenues. "Assessment Area Five – Phase 2 Pledged Revenues" shall mean (a) all revenues received by the District from the Assessment Area Five – Phase 2 Special Assessments, including, without limitation, amounts received from any foreclosure proceeding for the enforcement of collection of such Assessment Area Five – Phase 2 Special Assessments or from the issuance and sale of tax certificates with respect to such Assessment Area Five – Phase 2 Special Assessments, and (b) all moneys on deposit in the Funds and Accounts established under the Assessment Area Five – Phase 2 Indenture with respect to the Assessment Area Five – Phase 2 Bonds; provided, however, that Assessment Area Five – Phase 2 Pledged Revenues shall not include (A) any moneys transferred to the Assessment Area Five – Phase 2 Rebate Fund, or investment earnings thereon and (B) "special assessments" levied and collected by the District under Section 190.022 of the Act for maintenance purposes or "maintenance special assessments" levied and collected by the District under Section 190.021(3) of the Act (it being expressly understood that the lien and pledge of the Assessment Area Five – Phase 2 Indenture shall not apply to any of the moneys described in the foregoing clauses (A) and (B) of this proviso).

"Assessment Area Three Special Assessments" shall mean the portion of the Special Assessments levied corresponding to the debt service on the Assessment Area Three Bonds. "Assessment Area Five –

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

Non-ad valorem assessments are not based on millage and are not taxes, but can become a lien against the homestead as permitted in Section 4, Article X of the Florida State Constitution. The Assessment Area Three Special Assessments and the Assessment Area Five – Phase 2 Special Assessments are collectively referred to herein as the "2023 Special Assessments." The 2023 Special Assessments will constitute liens against the respective lands as to which the 2023 Special Assessments are imposed. See "ENFORCEMENT OF ASSESSMENT COLLECTIONS" herein.

The Assessment Area Three Special Assessments are levied, in an amount corresponding to the debt service on the Assessment Area Three Bonds, on the basis of benefit received as a result of the Assessment Area Three Project. The Assessment Area Five – Phase 2 Special Assessments are levied, in an amount corresponding to the debt service on the Assessment Area Five – Phase 2 Bonds, on the basis of benefit received as a result of the Assessment Area Five – Phase 2 Project. The Assessment Methodology (as hereinafter defined), which describes the methodology for allocating the Assessment Area Three Special Assessments and the Assessment Area Five – Phase 2 Special Assessments to the assessable lands within Assessment Area Three and Assessment Area Five – Phase 2, respectively, is included as APPENDIX D attached hereto. See also "ASSESSMENT METHODOLOGY AND THE ALLOCATION OF ASSESSMENTS" herein.

### **Covenant to Levy the 2023 Special Assessments**

The District has covenanted to levy the 2023 Special Assessments at the times and in the amount sufficient to pay principal of and interest on the related Series of Series 2023 Bonds. If any 2023 Special Assessment shall be either in whole or in part annulled, vacated or set aside by the judgment of any court, or if the District shall be satisfied that any such 2023 Special Assessment is so irregular or defective that the same cannot be enforced or collected, or if the District shall have omitted to make such 2023 Special Assessment when it might have done so, the District has additionally covenanted to either (i) take all necessary steps to cause a new 2023 Special Assessment to be made for the whole or any part of such improvement or against any property benefited by such improvement, or (ii) in its sole discretion, make up the amount of such 2023 Special Assessment from legally available moneys, which moneys shall be deposited into the related Series Revenue Account. In case such second 2023 Special Assessment shall be annulled, the District shall obtain and make other 2023 Special Assessments until a valid 2023 Special Assessment shall be made.

## **Prepayment of 2023 Special Assessments**

Pursuant to the Assessment Proceedings, an owner of property subject to the 2023 Special Assessments may prepay the entire remaining balance of such 2023 Special Assessments or, one time, a portion of the remaining balance of such 2023 Special Assessments at any time if there is also paid, in addition to the prepaid principal balance of such 2023 Special Assessments, as applicable, an amount equal to the interest that would otherwise be due on such prepaid amount on the next succeeding interest payment date for the related Series of Series 2023 Bonds, or, if prepaid during the forty-five (45) day period preceding such interest payment date, to the interest payment date following such next succeeding interest payment date.

Pursuant to the Act, an owner of property subject to the levy of 2023 Special Assessments may pay the entire balance of the 2023 Special Assessments remaining due, without interest, within thirty (30) days after the related 2023 Project has been completed or acquired by the District, and the Board has adopted a resolution accepting such 2023 Project pursuant to Chapter 170.09, Florida Statutes. The Assessment Area Three Landowner and the Assessment Area Five Landowner, as the sole owners of the property subject to the Assessment Area Three Special Assessments and the Assessment Area Five – Phase 2 Special Assessments, respectively, will covenant to waive this right on behalf of themselves and their respective successors and assigns in connection with the issuance of the Series 2023 Bonds. See "BONDOWNERS' RISKS – Prepayment and Redemption Risk" herein.

Each Series of Series 2023 Bonds are subject to extraordinary redemption as indicated under "DESCRIPTION OF THE SERIES 2023 BONDS – Redemption Provisions – Extraordinary Mandatory Redemption" from optional or required prepayments of the related 2023 Special Assessments by property owners.

## **Additional Obligations**

### **Assessment Area Three Bonds**

In the Assessment Area Three Indenture, the District will covenant that, other than Bonds issued to refund a portion of Outstanding Assessment Area Three Bonds, the issuance of which as determined by the District results in present value debt service savings, the District shall not issue or incur any debt payable in whole or in part from the Assessment Area Three Pledged Revenues. The District will further covenant that it shall not issue any Bonds or other debt obligations ("Additional Bonds") secured by Special Assessments on any of the lands subject to the Assessment Area Three Special Assessments until the Assessment Area Three Special Assessments have been Substantially Absorbed. "Substantially Absorbed" with respect to the Assessment Area Three Bonds shall mean the date on which a principal amount of the Assessment Area Three Special Assessments equaling at least ninety percent (75%) of the then-Outstanding principal amount of the Assessment Area Three Bonds are levied on tax parcels within the District with respect to which a certificate of occupancy has been issued for a structure thereon. The provisions of the preceding sentences shall not apply to any Bonds or other debt obligations secured by Special Assessments on properties other than the lands subject to the Assessment Area Three Special Assessments. Further, notwithstanding such restriction, the District may issue Bonds secured by Special Assessments on the lands subject to the Assessment Area Three Special Assessments for the health, safety or welfare of the District's residents or for the repair of the District facilities or with the consent of the Majority Owners. Prior to the delivery of any such Additional Bonds or other debt obligations, the Trustee shall receive a certificate from the District Manager on which it may conclusively rely that all of the applicable conditions set forth above have been met.

### **Assessment Area Five – Phase 2 Bonds**

In the Assessment Area Five – Phase 2 Indenture, the District will covenant that, other than Bonds issued to refund a portion of Outstanding Assessment Area Five – Phase 2 Bonds, the issuance of which as determined by the District results in present value debt service savings, the District shall not issue or incur any debt payable in whole or in part from the Assessment Area Five – Phase 2 Pledged Revenues. The District will further covenant that it shall not issue any Additional Bonds secured by Special Assessments on any of the lands subject to the Assessment Area Five – Phase 2 Special Assessments until the Assessment Area Five – Phase 2 Special Assessments have been Substantially Absorbed. "Substantially Absorbed" with respect to the Assessment Area Five – Phase 2 Bonds shall mean the date on which a principal amount of the Assessment Area Five – Phase 2 Special Assessments equaling at least ninety percent (90%) of the then-Outstanding principal amount of the Assessment Area Five – Phase 2 Bonds are levied on tax parcels within the District with respect to which a certificate of occupancy has been issued for a structure thereon. The provisions of the preceding sentences shall not apply to any Bonds or other debt obligations secured by Special Assessments on properties other than the lands subject to the Assessment Area Five – Phase 2 Special Assessments. Further, notwithstanding such restriction, the District may issue Bonds secured by Special Assessments on the lands subject to the Assessment Area Five – Phase 2 Special Assessments for the health, safety or welfare of the District's residents or for the repair of the District facilities or with the consent of the Majority Owners. Prior to the delivery of any such Additional Bonds or other debt obligations, the Trustee shall receive a certificate from the District Manager on which it may conclusively rely that all of the applicable conditions set forth above have been met.

### **Overlapping Assessments**

The District and/or other public entities may impose taxes or other special assessments on the same properties encumbered by the 2023 Special Assessments without the consent of the Owners of the related Series of Series 2023 Bonds. The District expects to impose certain non-ad valorem special assessments called "maintenance assessments," which are of equal dignity with the 2023 Special Assessments, on the same lands upon which the respective 2023 Special Assessments are imposed, to fund the maintenance and operation of the District. See "BONDOWNERS' RISKS – Other Taxes and Assessments" and "THE DEVELOPMENT – Taxes, Fees and Assessments" herein for more information.

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

In the Master Indenture, the District has covenanted that, except as otherwise permitted in the Indentures, it will not sell, lease or otherwise dispose of or encumber the 2023 Projects or any part thereof. See "APPENDIX A: COPY OF MASTER INDENTURE AND PROPOSED FORMS OF SUPPLEMENTAL INDENTURES" attached hereto for more information.

### **Acquisition and Construction Accounts**

#### **Assessment Area Three Bonds**

The Sixth Supplemental Indenture establishes a separate account within the Acquisition and Construction Fund designated as the "Assessment Area Three Acquisition and Construction Account." Proceeds of the Assessment Area Three Bonds shall be deposited into the Assessment Area Three Acquisition and Construction Account in the amount set forth in the Sixth Supplemental Indenture, together with any excess moneys transferred to the Assessment Area Three Acquisition and Construction Account and money transferred from the Assessment Area Three Debt Service Reserve Account as a result of the Reserve Account Release Conditions (as defined herein; see "–Debt Service Reserve Accounts" below) being satisfied, and such moneys in the Assessment Area Three Acquisition and Construction Account shall

be applied as set forth in the Assessment Area Three Indenture. Before any such payment shall be made, the District shall file with the Trustee a fully executed requisition, in the form set forth in the Sixth Supplemental Indenture, signed by a Responsible Officer and, except for payments of costs of issuance, a certificate of the Consulting Engineer signed by a Consulting Engineer, which certificate shall be part of the requisition. The Trustee shall be entitled to conclusively rely on such certification to pay such requisition

After the Completion Date of the Assessment Area Three Project and after retaining in the Assessment Area Three Bonds Acquisition and Construction Account the amount, if any, of all remaining unpaid Costs of the Assessment Area Three Project (as set forth in an Officer's Certificate of the District to the Trustee specifying the amount to be retained), any funds remaining in the Assessment Area Three Bonds Acquisition and Construction Account shall be transferred into the Assessment Area Three Bonds General Subaccount and applied to the extraordinary mandatory redemption of the Assessment Area Three Bonds, and the Assessment Area Three Bonds Acquisition and Construction Account shall be closed. Notwithstanding the foregoing, the District shall not declare that the Completion Date has occurred until after the Reserve Account Release Conditions with respect to the Assessment Area Three Bonds have been satisfied and all moneys transferred from the Assessment Area Three Debt Service Reserve Account to the Assessment Area Three Acquisition and Construction Account have been expended or the District Engineer has certified in writing to the District and the Trustee that such amount is in excess of what is needed to complete the Assessment Area Three Project.

After the occurrence of an Event of Default specified in the Master Indenture resulting from the non-payment of Assessment Area Three Special Assessments allocated to property owned by the Landowner, disbursements from the Assessment Area Three Acquisition and Construction Account shall be made only with the consent of the Majority Owners, provided that no such consent shall be required for disbursements for Costs incurred by the District under acquisition or construction contracts entered into by the District prior to the occurrence of such Event of Default which Costs relate to work performed before the later of (i) 30 days after the notification by the Trustee of such Event of Default or (ii) the earliest date on which the District is entitled to suspend or terminate such acquisition or construction contract in its discretion.

#### **Assessment Area Five – Phase 2 Bonds**

The Seventh Supplemental Indenture establishes a separate account within the Acquisition and Construction Fund designated as the "Assessment Area Five – Phase 2 Acquisition and Construction Account." Proceeds of the Assessment Area Five – Phase 2 Bonds shall be deposited into the Assessment Area Five – Phase 2 Acquisition and Construction Account in the amount set forth in the Seventh Supplemental Indenture, together with any excess moneys transferred to the Assessment Area Five – Phase 2 Acquisition and Construction Account and money transferred from the Assessment Area Five – Phase 2 Debt Service Reserve Account as a result of the First Reserve Account Release Conditions or the Second Reserve Account Release Conditions (as defined herein; see "Debt Service Reserve Accounts" below) being satisfied, and such moneys in the Assessment Area Five – Phase 2 Acquisition and Construction Account shall be applied as set forth in the Assessment Area Five – Phase 2 Indenture. Before any such payment shall be made, the District shall file with the Trustee a fully executed requisition, in the form set forth in the Seventh Supplemental Indenture, signed by a Responsible Officer and, except for payments of costs of issuance, a certificate of the Consulting Engineer signed by a Consulting Engineer, which certificate shall be part of the requisition. The Trustee shall be entitled to conclusively rely on such certification to pay such requisition

After the Completion Date of the Assessment Area Five – Phase 2 Project and after retaining in the Assessment Area Five – Phase 2 Bonds Acquisition and Construction Account the amount, if any, of all remaining unpaid Costs of the Assessment Area Five – Phase 2 Project (as set forth in an Officer's

Certificate of the District to the Trustee specifying the amount to be retained), any funds remaining in the Assessment Area Five – Phase 2 Bonds Acquisition and Construction Account shall be transferred into the Assessment Area Five – Phase 2 Bonds General Subaccount and applied to the extraordinary mandatory redemption of the Assessment Area Five – Phase 2 Bonds, and the Assessment Area Five – Phase 2 Acquisition and Construction Account shall be closed. Notwithstanding the foregoing, the District shall not declare that the Completion Date has occurred until after the Reserve Account Release Conditions with respect to the Assessment Area Five – Phase 2 Bonds have been satisfied and all moneys transferred from the Assessment Area Five – Phase 2 Debt Service Reserve Account to the Assessment Area Five – Phase 2 Acquisition and Construction Account have been expended or the District Engineer has certified in writing to the District and the Trustee that such amount is in excess of what is needed to complete the Assessment Area Five – Phase 2 Project.

After the occurrence of an Event of Default specified in the Master Indenture resulting from the non-payment of Assessment Area Five – Phase 2 Bonds Special Assessments allocated to property owned by the Landowner, disbursements from the Assessment Area Five – Phase 2 Bonds Acquisition and Construction Account shall be made only with the consent of the Majority Owners, provided that no such consent shall be required for disbursements for Costs incurred by the District under acquisition or construction contracts entered into by the District prior to the occurrence of such Event of Default which Costs relate to work performed before the later of (i) 30 days after the notification by the Trustee of such Event of Default or (ii) the earliest date on which the District is entitled to suspend or terminate such acquisition or construction contract in its discretion.

## **Debt Service Reserve Accounts**

### **Assessment Area Three Debt Service Reserve Account**

The Sixth Supplemental Indenture establishes a separate account within the Debt Service Reserve Fund designated as the "Assessment Area Three Debt Service Reserve Account" for the Assessment Area Three Bonds. The Assessment Area Three Debt Service Reserve Account will, at the time of delivery of the Assessment Area Three Bonds, be funded from a portion of the proceeds of the Assessment Area Three Bonds in the amount of the Debt Reserve Requirement for the Assessment Area Three Bonds. The "Debt Service Reserve Requirement" shall mean, with respect to the Assessment Area Three Bonds, until the Reserve Account Release Conditions have been satisfied, an amount equal to fifty percent (50%) of the maximum annual debt service with respect to the Outstanding Assessment Area Three Bonds. On the date the Reserve Account Release Conditions have been satisfied, the Debt Service Reserve Requirement for the Assessment Area Three Bonds shall be reduced to an amount equal to ten percent (10%) of the maximum annual debt service with respect to the Outstanding Assessment Area Three Bonds. Any excess in the Assessment Area Three Debt Service Reserve Account as a result of such reduction in the Debt Service Reserve Requirement for the Assessment Area Three Bonds shall be deposited into the Assessment Area Three Acquisition and Construction Account. Any amount in the Assessment Area Three Debt Service Reserve Account may, upon final maturity or redemption of all Outstanding Assessment Area Three Bonds, be used to pay principal of and interest on the Assessment Area Three Bonds. The District or the District Manager, on behalf of the District, shall provide written notice to the Trustee when the Reserve Account Release Conditions have been satisfied, upon which the Trustee may conclusively rely. The Debt Service Reserve Requirement for the Assessment Area Three Bonds shall be re-calculated upon the payment of principal of the Assessment Area Three Bonds pursuant to extraordinary mandatory redemption (but not upon optional redemption or mandatory redemption to satisfy Amortization Installments). The Debt Service Reserve Requirement for the Assessment Area Three Bonds is initially \$\_\_\_\_\_.

"Reserve Account Release Conditions" shall mean, with respect to the Assessment Area Three Bonds, (i) all of the platted single-family residential lots subject to the Assessment Area Three Bonds

Special Assessments have been constructed and received a certificate of occupancy; and (ii) no Event of Default has occurred and is continuing with respect to any outstanding Bonds of the District.

As long as there exists no Event of Default under the Assessment Area Three Indenture to the actual knowledge of a Responsible Officer of the Trustee and the amounts in the Assessment Area Three Debt Service Reserve Account are not reduced below the Debt Service Reserve Requirement, earnings on investments in the Assessment Area Three Debt Service Reserve Account shall be transferred: [prior to May 1, 2024, to the Assessment Area Three Capitalized Interest Subaccount of the Assessment Area Three Interest Account, then, after May 1, 2024 and] prior to the Completion Date of the Assessment Area Three Project, to the Assessment Area Three Acquisition and Construction Account to be used and applied as set forth in the Assessment Area Three Indenture, then, after the Completion Date of the Assessment Area Three Project, to the Assessment Area Three Revenue Account. If, as of the last date on which amounts on deposit in the Assessment Area Three Debt Service Reserve Account were valued by the Trustee, there was a deficiency in the Assessment Area Three Debt Service Reserve Account, or if after such date withdrawals have been made from the Assessment Area Three Debt Service Reserve Account and have created such a deficiency, then earnings on investments in the Assessment Area Three Debt Service Reserve Account for the Assessment Area Three shall be deposited to the credit of the Assessment Area Three Debt Service Reserve Account for the Assessment Area Three Bonds until the amount on deposit therein equals the Debt Service Reserve Requirement for the Assessment Area Three Bonds.

#### **Assessment Area Five – Phase 2 Debt Service Reserve Account**

The Seventh Supplemental Indenture establishes a separate account within the Debt Service Reserve Fund designated as the "Assessment Area Five – Phase 2 Debt Service Reserve Account" for the Assessment Area Five – Phase 2 Bonds. The Assessment Area Five – Phase 2 Debt Service Reserve Account will, at the time of delivery of the Assessment Area Five – Phase 2 Bonds, be funded from a portion of the proceeds of the Assessment Area Five – Phase 2 Bonds in the amount of the Debt Reserve Requirement for the Assessment Area Five – Phase 2 Bonds. The "Debt Service Reserve Requirement" shall mean, with respect to the Assessment Area Five – Phase 2 Bonds, until the First Reserve Account Release Conditions have been satisfied, an amount equal to the maximum annual debt service with respect to the Outstanding Assessment Area Five – Phase 2 Bonds. On the date the First Reserve Account Release Conditions have been satisfied, the Debt Service Reserve Requirement for the Assessment Area Five – Phase 2 Bonds shall be reduced to an amount equal to fifty percent (50%) of the maximum annual debt service with respect to the Outstanding Assessment Area Five – Phase 2 Bonds. On the date the Second Reserve Account Release Conditions have been satisfied, the Debt Service Reserve Requirement for the Assessment Area Five – Phase 2 Bonds shall be reduced to an amount equal to ten percent (10%) of the maximum annual debt service with respect to the Outstanding Assessment Area Five - Phase 2 Bonds. Any excess in the Assessment Area Five – Phase 2 Debt Service Reserve Account as a result of such reduction in the Debt Service Reserve Requirement for the Assessment Area Five – Phase 2 Bonds shall be deposited into the Assessment Area Five – Phase 2 Acquisition and Construction Account. Any amount in the Assessment Area Five – Phase 2 Debt Service Reserve Account may, upon final maturity or redemption of all Outstanding Assessment Area Five – Phase 2 Bonds, be used to pay principal of and interest on the Assessment Area Five – Phase 2 Bonds. The District or the District Manager, on behalf of the District, shall provide written notice to the Trustee when the First Reserve Account Release Conditions or the Second Account Release Conditions have been satisfied, upon which the Trustee may conclusively rely. The Debt Service Reserve Requirement for the Assessment Area Five – Phase 2 Bonds shall be re-calculated upon the payment of principal of the Assessment Area Five – Phase 2 Bonds pursuant to extraordinary mandatory redemption (but not upon optional redemption or mandatory redemption to satisfy Amortization Installments). The Debt Service Reserve Requirement for the Assessment Area Five – Phase 2 Bonds is initially \$ \_\_\_\_\_.



"First Reserve Account Release Conditions" shall mean, with respect to the Assessment Area Five – Phase 2 Bonds, (i) all of the single-family residential lots planned for Assessment Area Five – Phase 2 are platted as certified in writing by the District Engineer; (ii) all of the platted single-family residential lots subject to Assessment Area Five – Phase 2 Bonds Special Assessments have closed with homebuilders; and (iii) no Event of Default has occurred and is continuing with respect to any outstanding Bonds of the District.

"Second Reserve Account Release Conditions" shall mean, with respect to the Assessment Area Five – Phase 2 Bonds, (i) the First Reserve Account Conditions have been satisfied; (ii) all of the platted single-family residential lots subject to the Assessment Area Five – Phase 2 Bonds Special Assessments have constructed and received a certificate of occupancy; and (iii) no Event of Default has occurred and is continuing with respect to any outstanding Bonds of the District.

As long as there exists no Event of Default under the Assessment Area Five – Phase 2 Indenture to the actual knowledge of a Responsible Officer of the Trustee and the amounts in the Assessment Area Five – Phase 2 Debt Service Reserve Account are not reduced below the Debt Service Reserve Requirement, earnings on investments in the Assessment Area Five – Phase 2 Debt Service Reserve Account shall be transferred: prior to [May 1, 2024] to the Assessment Area Five – Phase 2 Capitalized Interest Subaccount of the Assessment Area Five – Phase 2 Interest Account, then, after [May 1, 2024] and prior to the Completion Date of the Assessment Area Five – Phase 2 Project, to the Assessment Area Five – Phase 2 Acquisition and Construction Account to be used and applied as set forth in the Assessment Area Five – Phase 2 Indenture, then, (iii) after the Completion Date for the Assessment Area Five – Phase 2 Project, to the Assessment Area Five – Phase 2 Revenue Account. If, as of the last date on which amounts on deposit in the Assessment Area Five – Phase 2 Debt Service Reserve Account were valued by the Trustee, there was a deficiency in the Assessment Area Five – Phase 2 Debt Service Reserve Account, or if after such date withdrawals have been made from the Assessment Area Five – Phase 2 Debt Service Reserve Account and have created such a deficiency, then earnings on investments in the Assessment Area Five – Phase 2 Debt Service Reserve Account for the Assessment Area Five – Phase 2 Bonds shall be deposited to the credit of the Assessment Area Five – Phase 2 Debt Service Reserve Account for the Assessment Area Five – Phase 2 Bonds until the amount on deposit therein equals the Debt Service Reserve Requirement for the Assessment Area Five – Phase 2 Bonds.

## **Application of the Pledged Revenues**

### **Assessment Area Three Pledged Revenues**

The Assessment Area Three Indenture establishes a separate account within the Revenue Fund designated as the "Assessment Area Three Revenue Account" for the Assessment Area Three Bonds. Pursuant to the Assessment Area Three Indenture, all amounts received by the District from the levy of the Assessment Area Three Special Assessments (except for Assessment Area Three Prepayment Principal, as designated by the District upon delivery to the Trustee, which shall be deposited in the Assessment Area Three Prepayment Subaccount) shall be deposited by the Trustee into the Assessment Area Three Revenue Account. Pursuant to the Assessment Area Three Indenture, the Trustee shall transfer from amounts on deposit in the Assessment Area Three Revenue Account to the Funds and Accounts designated below in the following amounts and in the following order of priority:

FIRST, not later than the Business Day preceding each May 1 and November 1, to the Assessment Area Three Interest Account, an amount equal to the interest on the Assessment Area Three Bonds due on such May 1 or November 1, less any amounts on deposit in the [Assessment Area Three Capitalized Interest Subaccount or] the Assessment Area Three Interest Account not previously credited;

SECOND, no later than the Business Day next preceding each May 1, to the Assessment Area Three Principal Account, an amount equal to the principal amount of Assessment Area Three Bonds Outstanding maturing on such May 1, if any, less any amounts on deposit in the Assessment Area Three Principal Account not previously credited;

THIRD, no later than the Business Day next preceding each May 1, to the Assessment Area Three Sinking Fund Account, an amount equal to the Sinking Fund Installment due on such May 1, if any, less any amount on deposit in the Assessment Area Three Sinking Fund Account not previously credited;

FOURTH, not later than the Business Day next succeeding each Interest Payment Date, to the Assessment Area Three Debt Service Reserve Account, an amount equal to the amount, if any, which is necessary to make the amount on deposit therein equal to the Debt Service Reserve Requirement for the Assessment Area Three Bonds;

FIFTH, notwithstanding the foregoing, at any time the Assessment Area Three Bonds are subject to redemption on a date which is not a May 1 or November 1, the Trustee shall be authorized to transfer from the Assessment Area Three Revenue Account to the Assessment Area Three Interest Account, the amount necessary (together with any amounts in the Assessment Area Three Interest Account and not otherwise previously credited) to pay interest on the Assessment Area Three Bonds subject to redemption on such date; and

SIXTH, to the Rebate Fund if pursuant to the Arbitrage Certificate for the Assessment Area Three Bonds it is necessary to make a deposit into the Rebate Fund, in which case the District shall direct the Trustee to make such deposit thereto.

Moneys held for the credit of the Assessment Area Three Revenue Account which are not otherwise required to be deposited pursuant to Sixth Supplemental Indenture shall be retained therein and applied on subsequent dates for the purposes and in the priority set forth above.

On the forty-fifth (45th) day preceding each Quarterly Redemption Date (or if such date is not a Business Day, on the Business Day next preceding such date), the Trustee shall determine the amount on deposit in the Assessment Area Three Prepayment Subaccount of the Assessment Area Three Redemption Account and, if the balance therein is greater than zero, shall transfer (but only after transferring sufficient amounts as directed in writing by the District to make transfers required by the Sixth Supplemental Indenture) from the Assessment Area Three Revenue Account for deposit into the Assessment Area Three Prepayment Subaccount, an amount sufficient to increase the amount on deposit therein to an integral multiple of \$5,000 and shall thereupon give notice and cause the extraordinary mandatory redemption of the Assessment Area Three Bonds on the next succeeding redemption date in the maximum aggregate principal amount for which moneys are then on deposit in the Assessment Area Three Prepayment Subaccount in accordance with the provisions for extraordinary redemption of Assessment Area Three Bonds set forth in the Assessment Area Three Indenture.

#### **Assessment Area Five – Phase 2 Pledged Revenues**

The Assessment Area Five – Phase 2 Indenture establishes an "Assessment Area Five – Phase 2 Revenue Account" within the Revenue Fund for the Assessment Area Five – Phase 2 Bonds. Pursuant to the Assessment Area Five – Phase 2 Indenture, all amounts received by the District from the levy of the Assessment Area Five – Phase 2 Special Assessments (except for Assessment Area Five – Phase 2 Prepayment Principal, as designated by the District upon delivery to the Trustee, which shall be deposited in the Assessment Area Five – Phase 2 Prepayment Subaccount) shall be deposited by the Trustee into the Assessment Area Five – Phase 2 Revenue Account. Pursuant to the Assessment Area Five – Phase 2

Indenture, the Trustee shall transfer from amounts on deposit in the Assessment Area Five – Phase 2 Revenue Account to the Funds and Accounts designated below in the following amounts and in the following order of priority:

FIRST, not later than the Business Day preceding each May 1 and November 1, to the Assessment Area Five – Phase 2 Interest Account, an amount equal to the interest on the Assessment Area Five – Phase 2 Bonds due on such May 1 or November 1, less any amounts on deposit in the Assessment Area Five – Phase 2 Capitalized Interest Subaccount or the Assessment Area Five – Phase 2 Interest Account not previously credited;

SECOND, no later than the Business Day next preceding each May 1, to the Assessment Area Five – Phase 2 Principal Account, an amount equal to the principal amount of Assessment Area Five – Phase 2 Bonds Outstanding maturing on such May 1, if any, less any amounts on deposit in the Assessment Area Five – Phase 2 Principal Account not previously credited;

THIRD, no later than the Business Day next preceding each May 1, to the Assessment Area Five – Phase 2 Sinking Fund Account, an amount equal to the Sinking Fund Installment due on such May 1, if any, less any amount on deposit in the Assessment Area Five – Phase 2 Sinking Fund Account not previously credited;

FOURTH, not later than the Business Day next succeeding each Interest Payment Date, to the Assessment Area Five – Phase 2 Debt Service Reserve Account, an amount equal to the amount, if any, which is necessary to make the amount on deposit therein equal to the Debt Service Reserve Requirement for the Assessment Area Five – Phase 2 Bonds;

FIFTH, notwithstanding the foregoing, at any time the Assessment Area Five – Phase 2 Bonds are subject to redemption on a date which is not a May 1 or November 1, the Trustee shall be authorized to transfer from the Assessment Area Five – Phase 2 Revenue Account to the Assessment Area Five – Phase 2 Interest Account the amount necessary (together with any amounts in the Assessment Area Five – Phase 2 Interest Account and not otherwise previously credited) to pay interest on the Assessment Area Five – Phase 2 Bonds subject to redemption on such date; and

SIXTH, to the Rebate Fund if pursuant to the Arbitrage Certificate for the Assessment Area Five – Phase 2 Bonds it is necessary to make a deposit into the Rebate Fund, in which case the District shall direct the Trustee to make such deposit thereto.

Moneys held for the credit of the Assessment Area Five – Phase 2 Bonds Revenue Account which are not otherwise required to be deposited pursuant to the Seventh Supplemental Indenture shall be retained therein and applied on subsequent dates for the purposes and in the priority set forth above.

On the forty-fifth (45th) day preceding each Quarterly Redemption Date (or if such date is not a Business Day, on the Business Day next preceding such date), the Trustee shall determine the amount on deposit in the Assessment Area Five – Phase 2 Prepayment Subaccount of the Assessment Area Five Redemption Account and, if the balance therein is greater than zero, shall transfer (but only after transferring sufficient amounts as directed in writing by the District to make transfers required by the Seventh Supplemental Indenture) from the Assessment Area Five – Phase 2 Revenue Account for deposit into the Assessment Area Five – Phase 2 Prepayment Subaccount, an amount sufficient to increase the amount on deposit therein to an integral multiple of \$5,000 and shall thereupon give notice and cause the extraordinary mandatory redemption of the Assessment Area Five – Phase 2 Bonds on the next succeeding redemption date in the maximum aggregate principal amount for which moneys are then on deposit in the Assessment Area Five – Phase 2 Prepayment Subaccount in accordance with the provisions for

extraordinary redemption of Assessment Area Five – Phase 2 Bonds set forth in the Assessment Area Five – Phase 2 Indenture.

### **Investments**

The Trustee shall, as directed by the District in writing, invest moneys held in the respective Funds and Accounts held as security for the Series 2023 Bonds only in Government Obligations and securities described in the Master Indenture. All deposits in time accounts shall be subject to withdrawal without penalty and all investments shall mature or be subject to redemption by the holder without penalty, not later than the date when the amounts will foreseeably be needed for purposes set forth in the Master Indenture. All securities securing investments in the Master Indenture shall be deposited with a Federal Reserve Bank, with the trust department of the Trustee, as authorized by law with respect to trust funds in the State, or with a bank or trust company having a combined net capital and surplus of not less than \$50,000,000. The interest and income received upon such investments and any interest paid by the Trustee or any other depository of any Fund or Account and any profit or loss resulting from the sale of securities shall be added or charged to the Fund or Account for which such investments are made; provided, however, that if the amount in any Fund or Account equals or exceeds the amount required to be on deposit therein, subject to the Master Indenture, any interest and other income so received shall be deposited in the related Series Account of the Revenue Fund. Upon request of the District, or on its own initiative whenever payment is to be made out of any Fund or Account, the Trustee shall sell such securities as may be requested to make the payment and restore the proceeds to the Fund or Account in which the securities were held. If net proceeds from the sale of securities held in any Fund or Account shall be less than the amount invested and, as a result, the amount on deposit in such Fund or Account is less than the amount required to be on deposit in such Fund or Account, the amount of such deficit shall be transferred to such Fund or Account from the related Series Account of the Revenue Fund.

The Trustee shall not be responsible or liable for keeping the moneys invested. The Trustee shall not be liable or responsible for any loss or entitled to any gain resulting from any investment or sale upon the investment instructions of the District or otherwise, including that set forth in the first sentence of this paragraph. The Trustee may make any investments permitted by the provisions of this section through its own bond department or investment department. See "APPENDIX A: COPY OF MASTER INDENTURE AND PROPOSED FORMS OF SUPPLEMENTAL INDENTURES" attached hereto.

### **Indenture Provisions Relating to Bankruptcy of a Taxpayer**

The respective Supplemental Indentures contain the following provisions which, pursuant to the Indentures, shall be applicable with respect to a Series of Series 2023 Bonds both before and after the commencement, whether voluntary or involuntary, of any case, proceeding or other action by or against any owner of any tax parcel subject to at least [twenty percent (20%)] of the corresponding 2023 Special Assessments pledged to such Series of Series 2023 Bonds Outstanding (an "Insolvent Taxpayer") under any existing or future law of any jurisdiction relating to bankruptcy, insolvency, reorganization, assignment for the benefit of creditors, or relief of debtors (a "Proceeding").

The District will acknowledge and agree that, although the Series 2023 Bonds were issued by the District, the Owners of each Series of Series 2023 Bonds are categorically the party with the ultimate financial stake in the transaction and, consequently, the party with a vested and pecuniary interest in a Proceeding with respect to such Series of Series 2023 Bonds. In the event of any Proceeding involving an Insolvent Taxpayer, the District will agree in the respective Indentures that:

- (i) the District shall seek to secure the written consent of the Trustee, acting at the direction of the Majority Owners of the related Series of Series 2023 Bonds, prior to making any

election, giving any consent, commencing any action or filing any motion, claim, obligation, notice or application or in taking any other action or position in any Proceedings or in any action related to a Proceeding that affects, either directly or indirectly, the 2023 Special Assessments relating to such Outstanding Bonds of such Series of Series 2023 Bonds, the Outstanding Series of Series 2023 Bonds, or any rights of the Trustee under the related Indenture (provided, however, the Trustee shall be deemed to have consented, on behalf of the Majority Owners of the Outstanding Bonds of such Series of Series 2023 Bonds, to the proposed action if the District does not receive a written response from the Trustee within thirty (30) days following receipt by the Trustee of the written request for consent);

(ii) the District shall not make any election, give any consent, commence any action or file any motion, claim, obligation, notice or application or take any other action or position in any Proceeding or in any action related to a Proceeding that affects, either directly or indirectly, the 2023 Special Assessments relating to the Outstanding Bonds of such Series of Series 2023 Bonds, the Outstanding Bonds of such Series of Series 2023 Bonds, or any rights of the Trustee under the related Indenture that are inconsistent with any written consent received (or deemed received) from the Trustee;

(iii) the District shall seek the written consent of the Trustee prior to filing and voting in any such Proceeding (provided, however, Trustee shall be deemed to have consented, on behalf of the Majority Owners of the Outstanding Bonds of such Series of Series 2023 Bonds, to the proposed action if the District does not receive a written response from the Trustee within thirty (30) days following receipt by the Trustee of the written request for consent);

(iv) the Trustee shall have the right, by interpleader or otherwise, to seek or oppose any relief in any such Proceeding that the District, as claimant with respect to the 2023 Special Assessments relating to the Outstanding Bonds of such Series of Series 2023 Bonds, would have the right to pursue, and, if the Trustee chooses to exercise any such rights, the District shall not oppose the Trustee in seeking to exercise any and all rights and taking any and all actions available to the District in connection with any Proceeding of any Insolvent Taxpayer, including without limitation, the right to file and/or prosecute and/or defend any claims and proofs of claims, to vote to accept or reject a plan, to seek dismissal of the Proceeding, to seek stay relief to commence or continue foreclosure or pursue any other available remedies as to the 2023 Special Assessments relating the Outstanding Bonds of such Series of Series 2023 Bonds, to seek substantive consolidation, to seek to shorten the Insolvent Taxpayer's exclusivity periods or to oppose any motion to extend such exclusivity periods, to oppose any motion for use of cash collateral or for authority to obtain financing, to oppose any sale procedures motion or any sale motion, to propose a competing plan of reorganization or liquidation, or to make any election under Section 1111(b) of the Bankruptcy Code; and

(v) The District shall not challenge the validity or amount of any claim submitted in good faith in such Proceeding by the Trustee or any valuations of the lands owned by any Insolvent Taxpayer submitted in good faith by the Trustee in such Proceedings or take any other action in such Proceedings, which is adverse to Trustee's enforcement or the District's claim and rights with respect to the 2023 Special Assessments relating to the Outstanding Bonds of such Series of Series 2023 Bonds, or receipt of adequate protection (as that term is defined in the Bankruptcy Code). Without limiting the generality of the foregoing, the District will agree that the Trustee shall have the right (i) to file a proof of claim with respect to the 2023 Special Assessments relating to the Outstanding Bonds of such Series of Series 2023 Bonds, (ii) to deliver to the District a copy thereof, together with evidence of the filing with the appropriate court or other authority, and (iii) to defend any objection filed to said proof of claim.

Notwithstanding the provisions of the immediately preceding paragraphs, nothing in the Indentures shall preclude the District from becoming a party to a Proceeding in order to enforce a claim for operation and maintenance Assessments, and the District shall be free to pursue such claim in such manner as it shall deem appropriate in its sole and absolute discretion. Any actions taken by the District in pursuance of its claim for operation and maintenance Assessments in any Proceeding shall not be considered an action adverse or inconsistent with the Trustee's rights or consents with respect to the 2023 Special Assessments relating to the Outstanding Bonds of a Series of Series 2023 Bonds, whether such claim is pursued by the District or the Trustee; provided, however, that the District shall not oppose any relief sought by the Trustee under the authority granted to the Trustee in clause (iv) above. See "BONDOWNERS' RISKS – Bankruptcy Risks" herein and "APPENDIX A: COPY OF MASTER INDENTURE AND PROPOSED FORMS OF SUPPLEMENTAL INDENTURES" for more information.

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

Each of the following shall be an "Event of Default" under the Indentures, with respect to a Series of Series 2023 Bonds:

(a) if payment of any installment of interest on such Series of the Series 2023 Bonds is not made when it becomes due and payable; or

(b) if payment of the principal or Redemption Price of such Series of the Series 2023 Bonds is not made when it becomes due and payable at maturity or upon call or presentation for redemption; or

(c) if the District, for any reason, fails in, or is rendered incapable of, fulfilling its obligations under the related Indenture or under the Act, as determined by the Majority Owners of the Bonds of such Series of Series 2023 Bonds; or

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

(e) if the District defaults in the due and punctual performance of any other covenant in the related Indenture or in any Bonds of such Series of Series 2023 Bonds issued pursuant to such related Indenture and such default continues for sixty (60) days after written notice requiring the same to be remedied shall have been given to the District by the Trustee, which may give such notice in its discretion and shall give such notice at the written request of the Majority Owners of the Bonds of such Series of Series 2023 Bonds; provided, however, that if such performance requires work to be done, actions to be taken, or conditions to be remedied, which by their nature cannot reasonably be done, taken or remedied, as the case may be, within such sixty (60) day period, no Event of Default shall be deemed to have occurred or exist if, and so long as the District shall commence such performance within such sixty (60) day period and shall diligently and continuously prosecute the same to completion; or

(f) if at any time the amount in the Debt Service Reserve Fund or any Account therein is less than the Debt Service Reserve Requirement for such Series of Series 2023 Bonds as a result of the Trustee withdrawing an amount therefrom to satisfy the Debt Service Requirement on the Bonds of such Series of Series 2023 Bonds and such amount has not been restored within one hundred twenty (120) days of such withdrawal; or

(g) if the Trustee is authorized under the provisions of the related Indenture to withdraw funds from the related Series Debt Service Reserve Account for such Series of Series 2023 Bonds to pay principal or interest on the Bonds of such Series of Series 2023 Bonds (regardless of whether the Trustee does or does not, per the direction of the Majority Owners of the Bonds of such Series of Series 2023 Bonds, actually withdraw such funds from such Series Debt Service Reserve Account to pay such principal or interest on the Bonds of such Series of Series 2023 Bonds).

No Series of Bonds issued under the Master Indenture shall be subject to acceleration, including the Series 2023 Bonds. Upon an Event of Default, no optional redemption of the Series 2023 Bonds shall occur unless all of the Bonds of such Series of Series 2023 Bonds affected by such Event of Default will be redeemed or 100% of the Holders of the Bonds of such Series of Series 2023 Bonds agree to such redemption.

If any Event of Default with respect to a Series of Series 2023 Bonds has occurred and is continuing, the Trustee, in its discretion may, and upon the written request of the Holders of not less than a majority of the aggregate principal amount of the Outstanding Bonds of such Series of Series 2023 Bonds and receipt of indemnity to its satisfaction shall, in its capacity as Trustee:

(a) by mandamus, or other suit, action or proceeding at law or in equity, enforce all rights of the Holders of the Bonds of such Series of Series 2023 Bonds, including, without limitation, the right to require the District to carry out any agreements with, or for the benefit of, the Bondholders of such Series of Series 2023 Bonds and to perform its or their duties under the Act;

(b) bring suit upon the Series of Series 2023 Bonds;

(c) by action or suit in equity require the District to account as if it were the trustee of an express trust for the Holders of the Bonds of such Series of Series 2023 Bonds;

(d) by action or suit in equity enjoin any acts or things which may be unlawful or in violation of the rights of the Holders of the Bonds of such Series of Series 2023 Bonds; and

(e) by other proceeding in law or equity, exercise all rights and remedies provided for by any other document or instrument securing the Bonds of such Series of Series 2023 Bonds.

## **ENFORCEMENT OF ASSESSMENT COLLECTIONS**

### **General**

The primary source of payment for each Series of the Series 2023 Bonds is the collection of corresponding 2023 Special Assessments imposed pursuant to the Assessment Resolutions and the Assessment Methodology (collectively, the "Assessment Proceedings"). See "ASSESSMENT METHODOLOGY AND THE ALLOCATION OF ASSESSMENTS" herein and "APPENDIX D: ASSESSMENT METHODOLOGY."

The imposition, levy, and collection of the 2023 Special Assessments must be done in compliance with the provisions of Florida law. Failure by the District, the St. Lucie County Tax Collector ("Tax Collector") or the St. Lucie County Property Appraiser ("Property Appraiser") to comply with such requirements could result in delay in the collection of, or the complete inability to collect, of the 2023 Special Assessments during any year. Such delays in the collection of 2023 Special Assessments, or complete inability to collect 2023 Special Assessments, would have a material adverse effect on the ability of the District to make full or punctual payment of the debt service requirements on the related Series of

Series 2023 Bonds. To the extent that landowners fail to pay the 2023 Special Assessments, delay payments, or are unable to pay the same, the successful pursuance of collection procedures available to the District is essential to continued payment of principal of and interest on the related Series of Series 2023 Bonds. See "BONDOWNERS' RISKS."

The 2023 Special Assessments must meet two requirements to be valid: (1) the benefit from the related Series Project to the lands subject to such 2023 Special Assessments must exceed or equal the amount of such 2023 Special Assessments, and (2) the 2023 Special Assessments must be fairly and reasonably allocated across all benefitted properties in the related Assessment Area. The certificates of the Methodology Consultant delivered at closing on the Series 2023 Bonds will certify that these requirements have been met with respect to the 2023 Special Assessments.

Pursuant to the Act and the Assessment Proceedings, the District may collect the 2023 Special Assessments through a variety of methods, although it is anticipated that the Assessment Area Three Special Assessments and the Assessment Area Five – Phase 2 Special Assessments will be collected by direct bill for unplatted lands and by the Uniform Method for platted lots. The following is a description of certain statutory provisions relating to each of these collection methods. Such description is not intended to be exhaustive and is qualified in its entirety by reference to such statutes.

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

As noted above, and pursuant to Chapters 170 and 190 of the Florida Statutes, the District may directly levy, collect and enforce the 2023 Special Assessments. In this context, Section 170.10 of the Florida Statutes provides that upon the failure of any property owner to timely pay all or any part of the annual installment of principal and/or interest of a special assessment due, including the 2023 Special Assessments, the whole assessment, with the interest and penalties thereon, shall immediately become due and payable and subject to foreclosure. Generally stated, the governing body of the entity levying the special assessment, in this case the District, may foreclose by commencing a foreclosure proceeding in the same manner as the foreclosure of a real estate mortgage, or, alternatively, by commencing an action under Chapter 173, Florida Statutes, which relates to foreclosure of municipal tax and special assessment liens. Such proceedings are in rem, meaning that the action would be brought against the land, and not against the landowner. In light of the one-year tolling period required before the District may commence a foreclosure action under Chapter 173, Florida Statutes, it is likely the District would commence an action to foreclose in the same manner as the foreclosure of a real estate mortgage rather than proceeding under Chapter 173, Florida Statutes.

Enforcement of the obligation to pay the 2023 Special Assessments and the ability to foreclose the lien of such 2023 Special Assessments upon the failure to pay such 2023 Special Assessments may not be readily available or may be limited because enforcement is dependent upon judicial action which is often subject to discretion and delay. Additionally, there is no guarantee that there will be demand for any foreclosed lands sufficient to repay such 2023 Special Assessments. See "BONDOWNERS' RISKS" herein.

### **Uniform Method Procedure**

Subject to certain conditions, and for platted lands (as described above), the District may alternatively elect to collect the 2023 Special Assessments using the Uniform Method. The Uniform Method of collection is available only in the event the District complies with statutory and regulatory requirements and enters into agreements with the Tax Collector and Property Appraiser providing for the 2023 Special Assessments to be levied and then collected in this manner.



If the Uniform Method of collection is used, the 2023 Special Assessments will be collected together with County, school, special district, and other ad valorem taxes and non-ad valorem assessments (together, "Taxes and Assessments"), all of which will appear on the tax bill (also referred to as a "tax notice") issued to each landowner in the District. The statutes relating to enforcement of Taxes and Assessments provide that such Taxes and Assessments become due and payable on November 1 of the year when assessed, or as soon thereafter as the certified tax roll is received by the Tax Collector, and constitute a lien upon the land from January 1 of such year until paid or barred by operation of law. Such taxes and assessments – including the 2023 Special Assessments – are to be billed, and landowners in the District are required to pay, all Taxes and Assessments without preference in payment of any particular increment of the tax bill, such as the increment owing for the 2023 Special Assessments.

All Taxes and Assessments are payable at one time, except for partial payment schedules as may be provided by Florida law such as Sections 197.374 and 197.222, Florida Statutes. Partial payments made pursuant to Sections 197.374 and 197.222, Florida Statutes, are distributed in equal proportion to all taxing districts and levying authorities applicable to that account. If a taxpayer does not make complete payment of the total amount, he or she cannot designate specific line items on his or her tax bill as deemed paid in full. Therefore, in the event the 2023 Special Assessments are to be collected pursuant to the Uniform Method, any failure to pay any one line item would cause the 2023 Special Assessments to not be collected to that extent, which could have a significant adverse effect on the ability of the District to make full or punctual payment of the debt service requirements on the related Series of Series 2023 Bonds.

Under the Uniform Method, if the 2023 Special Assessments are paid during November when due or during the following three months, the taxpayer is granted a variable discount equal to 4% in November and decreasing one percentage point per month to 1% in February. All unpaid Taxes and Assessments become delinquent on April 1 of the year following assessment.

The Tax Collector is required to collect the Taxes and Assessments on the tax bill prior to April 1 and, after that date, to institute statutory procedures upon delinquency to collect such Taxes and Assessments through the sale of "tax certificates," as discussed below. Delay in the mailing of tax notices to taxpayers may result in a delay throughout this process. Neither the District nor the Underwriter can give any assurance to Bondowners (1) that the past experience of the Tax Collector with regard to tax and special assessment delinquencies is applicable in any way to the 2023 Special Assessments, (2) that future landowners and taxpayers in the District will pay such 2023 Special Assessments, (3) that a market may exist in the future for tax certificates in the event of sale of such certificates for taxable units within the District, and (4) that the eventual sale of tax certificates for real property within the District, if any, will be for an amount sufficient to pay amounts due under the Assessment Proceedings to discharge the lien of the 2023 Special Assessments and all other liens that are coequal therewith.

Collection of delinquent 2023 Special Assessments under the Uniform Method is, in essence, based upon the sale by the Tax Collector of "tax certificates" and remittance of the proceeds of such sale to the District for payment of the 2023 Special Assessments due. Prior to the sale of tax certificates, the landowner may bring current the delinquent Taxes and Assessments and cancel the tax certificate process by paying the total amount of delinquent Taxes and Assessments plus all applicable interest, costs and charges. If the landowner does not act, the Tax Collector is required to attempt to sell tax certificates by public bid to the person who pays the delinquent Taxes and Assessments owing, and any applicable interest, costs and charges, and who accepts the lowest interest rate per annum to be borne by the certificates (but not more than 18%).

If there are no bidders, the tax certificate is issued to the County. The County is to hold, but not pay for, the tax certificate with respect to the property, bearing interest at the maximum legal rate of interest, which is currently 18%. The Tax Collector does not collect any money if tax certificates are issued, or

struck off, to the County. The County may sell such certificates to the public at any time after issuance, but before a tax deed application is made, at the face amount thereof plus interest at the rate of not more than 18% per annum, costs and charges. Proceeds from the sale of tax certificates are required to be used to pay Taxes and Assessments (including the 2023 Special Assessments), interest, costs and charges on the real property described in the certificate.

Unless full payment for a tax deed is made to the clerk of court, including documentary stamps and recording fees, any tax certificate in the hands of a person other than the County may be redeemed and canceled, in whole or in part (under certain circumstances), at any time before a tax deed is issued, and at a price equal to the face amount of the certificate or portion thereof together with all interest, costs, and charges due. Regardless of the interest rate actually borne by the certificates, persons redeeming tax certificates must pay a minimum interest rate of 5%, unless the rate borne by the certificates is zero percent. The proceeds of such a redemption are paid to the Tax Collector who transmits to the holder of the tax certificate such proceeds less service charges, and the certificate is canceled. Redemption of tax certificates held by the County is effected by purchase of such certificates from the County, as described above.

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

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

sufficient to pay all governmental liens of record, the excess shall be paid to each governmental unit pro rata.

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

If there are no bidders at the public sale, the clerk shall enter the land on a list entitled "lands available for taxes" and shall immediately notify the County Commission that the property is available. At any time within ninety (90) days from the date the property is placed on the list, the County may purchase the land for the opening bid, or may waive its rights to purchase the property. Thereafter, and without further notice or advertising, any person, the County or any other governmental unit may purchase the land by paying the amount of the opening bid. Ad valorem taxes and non-ad valorem assessments accruing after the date of public sale do not require repetition of the bidding process but are added to the minimum bid. Three years from the date the property was offered for sale, unsold lands escheat to the County in which they are located, free and clear, and all tax certificates and liens against the property are canceled and a deed is executed vesting title in the governing board of such County.

There can be no guarantee that the Uniform Method will result in the payment of 2023 Special Assessments. For example, the demand for tax certificates is dependent upon various factors, which include the rate of interest that can be earned by ownership of such certificates and the underlying value of the land that is the subject of such certificates and which may be subject to sale at the demand of the certificate holder. Therefore, the underlying market value of the property within the respective Assessment Areas may affect the demand for certificates and the successful collection of the respective Special Assessments, which are the primary source of payment of the related Series of Series 2023 Bonds. Additionally, legal proceedings under Federal bankruptcy law brought by or against a landowner who has not yet paid his or her property taxes or assessments would likely result in a delay in the sale of tax certificates. See "BONDOWNERS' RISKS – Bankruptcy Risks."

### **BONDOWNERS' RISKS**

There are certain risks inherent in an investment in bonds issued by a public authority or governmental body in the State and secured by special assessments. Certain of these risks are described in other sections of this Limited Offering Memorandum. Certain additional risks are associated with the Series 2023 Bonds offered hereby and are set forth below. Prospective investors in the Series 2023 Bonds should have such knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of an investment in the Series 2023 Bonds and have the ability to bear the economic risks of such prospective investment, including a complete loss of such investment. This section does not purport to summarize all risks that may be associated with purchasing or owning the Series 2023 Bonds, and prospective purchasers are advised to read this Limited Offering Memorandum in its entirety for a more complete description of investment considerations relating to the Series 2023 Bonds.

#### **Concentration of Land Ownership**

As of the date hereof, the Assessment Area Three Landowner and the Assessment Area Five Landowner own all of the assessable lands within Assessment Area Three and Assessment Area Five – Phase 2, respectively (referred to herein collectively as the "Assessment Areas"), which are the lands that will be subject to the 2023 Special Assessments securing the related Series of Series 2023 Bonds. Payment of the 2023 Special Assessments is primarily dependent upon their timely payment by the Landowners and the other future landowners in respective Assessment Areas. Non-payment of the 2023 Special Assessments by any of the landowners could have a substantial adverse impact upon the District's ability to pay debt

service on the related Series of the Series 2023 Bonds. See "THE LANDOWNERS" and "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2023 BONDS" herein.

THE ASSESSMENT AREA THREE BONDS AND THE ASSESSMENT AREA FIVE – PHASE 2 BONDS ARE SEPARATELY SECURED BY THE ASSESSMENT AREA THREE SPECIAL ASSESSMENTS LEVIED ON ASSESSMENT AREA THREE AND ASSESSMENT AREA FIVE – PHASE 2 SPECIAL ASSESSMENTS LEVIED ON ASSESSMENT AREA FIVE – PHASE 2, RESPECTIVELY.

### **Bankruptcy and Related Risks**

In the event of the institution of bankruptcy or similar proceedings with respect to either of the Landowners or any other owner of benefited property, delays could occur in the payment of debt service on the Series 2023 Bonds, as such bankruptcy could negatively impact the ability of: (i) such Landowner and any other landowner to pay the 2023 Special Assessments; (ii) the Tax Collector to sell tax certificates in relation to such property with respect to the 2023 Special Assessments being collected pursuant to the Uniform Method; and (iii) the District to foreclose the lien of the 2023 Special Assessments not being collected pursuant to the Uniform Method. In addition, the remedies available to the Owners of each Series of the Series 2023 Bonds under the applicable Indenture are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, the remedies specified by federal, state and local law and in the Indentures and the Series 2023 Bonds, including, without limitation, enforcement of the obligation to pay 2023 Special Assessments and the ability of the District to foreclose the lien of the 2023 Special Assessments if not being collected pursuant to the Uniform Method, may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2023 Bonds (including Bond Counsel's approving opinion) will be qualified as to the enforceability of the various legal instruments by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors enacted before or after such delivery. The inability, either partially or fully, to enforce remedies available with respect to a Series of the Series 2023 Bonds could have a material adverse impact on the interest of the Owners thereof.

A 2011 bankruptcy court decision in Florida held that the governing body of a community development district, and not the bondholders or indenture trustee, was the creditor of the landowners/debtors in bankruptcy with respect to claims for special assessments, and thus only the district could vote to approve or disapprove a reorganization plan submitted by the debtors in the case. The district voted in favor of the plan. The governing body of the district was at that time elected by the landowners rather than qualified electors. Under the reorganization plan that was approved, a two-year moratorium was placed on the debtor landowners' payment of special assessments. As a result of this non-payment of assessments, debt service payments on the district's bonds were delayed for two years or longer. The Indentures provide for the delegation of certain rights from the District to the Trustee in the event of a bankruptcy or similar proceeding with respect to an "Insolvent Taxpayer" (as previously defined). See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2023 BONDS – Indenture Provisions Relating to Bankruptcy of a Taxpayer" herein. The District cannot express any view whether such delegation would be enforceable.

### **2023 Special Assessments Are Non-Recourse**

The principal security for the payment of the principal and interest on each Series of the Series 2023 Bonds is the timely collection of the related 2023 Special Assessments. The 2023 Special Assessments do not constitute a personal indebtedness of the landowners of the land subject thereto, but are secured by a lien on such land. There is no assurance that the Landowners or subsequent landowners will be able to

pay the 2023 Special Assessments or that they will pay such 2023 Special Assessments even though financially able to do so. Neither the Landowners nor any other subsequent landowners have any personal obligation to pay the 2023 Special Assessments. Neither the Landowners nor any subsequent landowners are guarantors of payment of any 2023 Special Assessments, and the recourse for the failure of the Landowners or any subsequent landowner to pay the 2023 Special Assessments is limited to the collection proceedings against the land subject to such unpaid 2023 Special Assessments, as described herein. Therefore the likelihood of collection of the 2023 Special Assessments may ultimately depend on the market value of the land subject to the 2023 Special Assessments. While the ability of the Landowners or subsequent landowners to pay the 2023 Special Assessments is a relevant factor, the willingness of the Landowners or subsequent landowners to pay the 2023 Special Assessments, which may also be affected by the value of the land subject to the 2023 Special Assessments, is also an important factor in the collection of 2023 Special Assessments. The failure of the Landowners or subsequent landowners to pay the 2023 Special Assessments could render the District unable to collect delinquent 2023 Special Assessments and provided such delinquencies are significant, could negatively impact the ability of the District to make the full or punctual payment of debt service on the corresponding Series of Series 2023 Bonds.

### **Regulatory and Environmental Risks**

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

The value of the land within the District, the success of the Development, the development of the Assessment Areas and the likelihood of timely payment of principal and interest on the Series 2023 Bonds could be affected by environmental factors with respect to the land in the District. Should the land be contaminated by hazardous materials, this could materially and adversely affect the value of the land in the District, which could materially and adversely affect the success of the development of the lands within the District and the likelihood of the timely payment of the Series 2023 Bonds. The District has not performed, nor has the District requested that there be performed on its behalf, any independent assessment of the environmental conditions within the District. See "THE DEVELOPMENT – Environmental" for information on environmental site assessments obtained or received with respect to the Assessment Areas. Such information is being provided solely for informational purposes, and nothing herein or in such assessments grants any legal rights or remedies in favor of the Series 2023 Bondholders in the event any recognized environmental conditions are later found to be present on District Lands. Nevertheless, it is possible that hazardous environmental conditions could exist within the District or in the vicinity of the District and that such conditions could have a material and adverse impact upon the value of the benefited lands within the District. No assurance can be given that unknown hazardous materials, protected animals or vegetative species, etc., do not currently exist or may not develop in the future, whether originating within the District or from surrounding property, and what effect such may have on the development or sale of the lands in the Assessment Areas.

The value of the lands subject to the 2023 Special Assessments could also be adversely impacted by flooding or wind damage caused by hurricanes, tropical storms, or other catastrophic events. In addition to potential damage or destruction to any existing development or construction in or near the District, such catastrophic events could potentially render the District Lands unable to support future development. The occurrence of any such events could materially adversely impact the District's ability to pay principal and

interest on the Series 2023 Bonds. The Series 2023 Bonds are not insured, and the District's casualty insurance policies do not insure against losses incurred on private lands within its boundaries.

### **Economic Conditions and Changes in Development Plans**

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

### **Other Taxes and Assessments**

The willingness and/or ability of an owner of benefited land to pay the 2023 Special Assessments could be affected by the existence of other taxes and assessments imposed upon such property by the District, the City, the County or any other local special purpose or general purpose governmental entities. City, County, school, special district taxes and special assessments, and voter-approved ad valorem taxes levied to pay principal of and interest on debt, including the 2023 Special Assessments, collected pursuant to the Uniform Method are payable at one time. Public entities whose boundaries overlap those of the District could, without the consent of the owners of the land within the District, impose additional taxes on the property within the District. The District anticipates imposing operation and maintenance assessments encumbering the same property encumbered by the 2023 Special Assessments. In addition, lands within the District may also be subject to assessments by property owners' and homeowners' associations. See "THE DEVELOPMENT – Taxes, Fees and Assessments" herein for additional information.

Under Florida law, a landowner may contest the assessed valuation determined for its property that forms the basis of ad-valorem taxes such landowner must pay. During this contest period, the sale of a tax certificate under the Uniform Method will be suspended. If the 2023 Special Assessments are being collected along with ad valorem taxes pursuant to the Uniform Method, tax certificates will not be sold with respect to such 2023 Special Assessment, even though the landowner is not contesting the amount of the 2023 Special Assessment. However, Section 194.014, Florida Statutes, requires taxpayers challenging the assessed value of their property to pay all non-ad valorem assessments and at least 75% of their ad valorem taxes before they become delinquent. Likewise, taxpayers who challenge the denial of an exemption or classification or a determination that their improvements were substantially complete must pay all non-ad valorem assessments and the amount of ad valorem taxes that they admit in good faith to be owing. If a taxpayer fails to pay property taxes as set forth above, the Value Adjustment Board considering the taxpayer's challenge is required to deny such petition by written decision by April 20 of such year.

### **Limited Secondary Market for Series 2023 Bonds**

The Series 2023 Bonds may not constitute a liquid investment, and there is no assurance that a liquid secondary market will exist for the Series 2023 Bonds in the event an Owner thereof determines to solicit purchasers for the Series 2023 Bonds. Even if a liquid secondary market exists, there can be no assurance as to the price for which the Series 2023 Bonds may be sold. Such price may be lower than that paid by the current Owners of each Series of the Series 2023 Bonds, depending on the progress of development of the Development and the lands within the respective Assessment Areas, as applicable, existing real estate and financial market conditions and other factors.

## **Inadequacy of Reserve Accounts**

Some of the risk factors discussed herein, which, if materialized, would result in a delay in the collection of the 2023 Special Assessments, may not adversely affect the timely payment of debt service on a Series of the Series 2023 Bonds because of the Debt Service Reserve Account corresponding to each Series of Series 2023 Bonds. The ability of the Debt Service Reserve Accounts to fund deficiencies caused by delinquencies in the corresponding 2023 Special Assessments is dependent on the amount, duration and frequency of such deficiencies. Moneys on deposit in each Debt Service Reserve Account may be invested in certain obligations permitted under the related Indenture. Fluctuations in interest rates and other market factors could affect the amount of moneys in such Debt Service Reserve Accounts to make up deficiencies. If the District has difficulty in collecting the 2023 Special Assessments, the Debt Service Reserve Accounts would be rapidly depleted and the ability of the District to pay debt service on the corresponding Series of Series 2023 Bonds could be materially adversely affected. In addition, during an Event of Default under the related Indenture, the Trustee may withdraw moneys from the applicable Debt Service Reserve Account and such other Funds, Accounts and subaccounts created under the applicable Indenture to pay its extraordinary fees and expenses incurred in connection with such Event of Default. If in fact a Debt Service Reserve Account is accessed for any purpose, the District does not have a designated revenue source for replenishing such account. Moreover, the District may not be permitted to re-assess real property then burdened by the corresponding 2023 Special Assessments to provide for the replenishment of the applicable Debt Service Reserve Account. THE ASSESSMENT AREA THREE DEBT SERVICE RESERVE ACCOUNT IS NOT AVAILABLE TO PAY DEBT SERVICE ON THE ASSESSMENT AREA FIVE – PHASE 2 BONDS, AND THE ASSESSMENT AREA FIVE – PHASE 2 DEBT SERVICE RESERVE ACCOUNT IS NOT AVAILABLE TO PAY DEBT SERVICE ON THE ASSESSMENT AREA THREE BONDS. See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2023 BONDS – Debt Service Reserve Accounts" herein for more information about the Reserve Accounts.

## **Legal Delays**

If the District should commence a foreclosure action against a landowner for nonpayment of 2023 Special Assessments that are not being collected pursuant to the Uniform Method, such landowner and/or its mortgagee(s) may raise affirmative defenses to such foreclosure action. Although the District expects that such affirmative defenses would likely be proven to be without merit, they could result in delays in completing the foreclosure action. In addition, the District is required under the Indenture to fund the costs of such foreclosure. It is possible that the District will not have sufficient funds and will be compelled to request the Holders of the corresponding Series of Series 2023 Bonds to allow funds on deposit under the related Indenture to be used to pay the costs of the foreclosure action. Under the Code (as defined herein), there are limitations on the amounts of proceeds from each Series of the Series 2023 Bonds that can be used for such purpose.

## **IRS Examination and Audit Risk**

The Internal Revenue Service (the "IRS") routinely examines bonds issued by state and local governments, including bonds issued by community development districts. In 2016, the IRS concluded its lengthy examination of certain issues of bonds (for purposes of this subsection, the "Audited Bonds") issued by Village Center Community Development District (the "Village Center CDD"). During the course of the audit of the Audited Bonds, Village Center CDD received a ruling dated May 30, 2013, in the form of a non-precedential technical advice memorandum ("TAM") concluding that Village Center CDD is not a political subdivision for purposes of Section 103(a) of the Code because Village Center CDD was organized and operated to perpetuate private control and avoid indefinitely responsibility to an electorate, either directly or through another elected state or local government body. Such a conclusion could lead to the further conclusion that the interest on the Audited Bonds was not excludable from gross income of the

owners of such bonds for federal income tax purposes. Village Center CDD received a second TAM dated June 17, 2015, which granted relief to Village Center CDD from retroactive application of the IRS's conclusion regarding its failure to qualify as a political subdivision. Prior to the conclusion of the audits, the Audited Bonds were all refunded with taxable bonds. The audit of the Audited Bonds that were issued for utility improvements were closed without change to the tax exempt status of those Audited Bonds on April 25, 2016, and the audit of the remainder of the Audited Bonds (which funded recreational amenity acquisitions from entities related to the principal landowner in the Village Center CDD) was closed on July 14, 2016, without the IRS making a final determination that the interest on the Audited Bonds in question was required to be included in gross income. However, the IRS letter to the Village Center CDD with respect to this second set of Audited Bonds noted that the IRS found that the Village Center CDD was not a "proper issuer of tax-exempt bonds" and that those Audited Bonds were private-activity bonds that did not fall in any of the categories that qualify for tax-exemption. Although the TAMs and the letters to the Village Center CDD from the IRS referred to above are addressed to, and binding only on, the IRS and Village Center CDD in connection with the Audited Bonds, they reflect the audit position of the IRS, and there can be no assurance that the IRS would not commence additional audits of bonds issued by other community development districts raising issues similar to the issues raised in the case of the Audited Bonds based on the analysis set forth in the first TAM or on the related concerns addressed in the July 14, 2016 letter to the Village Center CDD.

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

It has been reported that the IRS has closed audits of other community development districts in the State with no change to such districts' bonds' tax-exempt status, but has advised such districts that such districts must have public electors within the timeframe established by the applicable state law or their bonds may be determined to be taxable retroactive to the date of issuance. Pursuant to the Act, general elections are not held until the later of six years from the date of establishment of the community development district or the time at which there are at least 250 qualified electors in the district. The District, unlike Village Center CDD, was formed with the intent that it will contain a sufficient number of residents to allow for a transition to control by a general electorate. Currently, all of the members of the Board of the District were elected by the landowners and none were elected by qualified electors. The Landowners will certify as to their expectations as to the timing of the transition of control of the Board of the District to qualified electors pursuant to the Act. Such certification by the Landowners does not ensure that such certification shall be determinative of, or may influence the outcome of any audit by the IRS, or any appeal from such audit, that may result in an adverse ruling that the District is not a political subdivision for purposes of Section 103(a) of the Code. Further, there can be no assurance that an audit by the IRS of either Series of the Series 2023 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 2023 Bonds are advised that, if the IRS does audit the Series 2023 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 2023 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 2023 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 2023 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 2023 Bonds would adversely affect the availability of any secondary market for the Series 2023 Bonds. Should interest on the Series 2023 Bonds become includable in gross income for federal income tax purposes, not only will Owners of Series 2023 Bonds be required to pay income taxes on the interest received on such Series 2023 Bonds and related penalties, but because the interest rate on such Series 2023 Bonds will not be adequate to compensate Owners of the Series 2023 Bonds for the income taxes due on such interest, the value of the Series 2023 Bonds may decline.

THE INDENTURES DO NOT PROVIDE FOR ANY ADJUSTMENT IN THE INTEREST RATES ON THE SERIES 2023 BONDS IN THE EVENT OF AN ADVERSE DETERMINATION BY THE IRS WITH RESPECT TO THE TAX-EXEMPT STATUS OF INTEREST ON THE SERIES 2023 BONDS. PROSPECTIVE PURCHASERS OF THE SERIES 2023 BONDS SHOULD EVALUATE WHETHER THEY CAN OWN THE SERIES 2023 BONDS IN THE EVENT THAT THE INTEREST ON THE SERIES 2023 BONDS BECOMES TAXABLE AND/OR THE DISTRICT IS EVER DETERMINED TO NOT BE A POLITICAL SUBDIVISION FOR PURPOSES OF THE CODE AND/OR SECURITIES ACT (AS HEREINAFTER DEFINED).

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

The Series 2023 Bonds have not been and will not be registered under the Securities Act of 1933, as amended (the "Securities Act"), or any state securities laws, because of the exemption for securities issued by political subdivisions. It is possible that federal or state regulatory authorities could in the future determine that the District is not a political subdivision for purposes of federal and state securities laws, including without limitation as the result of a determination by the IRS, judicial or otherwise, of the District's status for purposes of the Code. In such event, the District and purchasers of Series 2023 Bonds may not be able to rely on the exemption from registration under the Securities Act relating to securities issued by political subdivisions. In that event, the Owners of the Series 2023 Bonds would need to ensure that subsequent transfers of the Series 2023 Bonds are made pursuant to a transaction that is not subject to the registration requirements of the Securities Act and applicable state securities laws.

### **Federal Tax Reform**

Various legislative proposals are mentioned from time to time by members of Congress of the United States of America and others concerning reform of the internal revenue (tax) laws of the United States. In addition, the IRS may, in the future, issue rulings that have the effect of challenging the interpretation of existing tax laws. Certain of these proposals and interpretations, if implemented or upheld, could have the effect of diminishing the value of obligations of states and their political subdivisions, such as the Series 2023 Bonds, by eliminating or changing the tax-exempt status of interest on such bonds. Whether any such proposals will ultimately become or be upheld as law, and if so, the effect such proposals could have upon the value of bonds such as the Series 2023 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 2023 Bonds. Prospective purchasers of the Series 2023 Bonds should consult their tax advisors as to the impact of any proposed or pending legislation. See also "TAX MATTERS" herein.

### **State Tax Reform**

It is impossible to predict what new proposals may be presented regarding tax reform and/or community development districts during upcoming legislative sessions, whether such new proposals or any previous proposals regarding the same will be adopted by the Florida Senate and House of Representatives and signed by the Governor, and, if adopted, the form thereof. On October 31, 2014, the Auditor General of the State released a 31-page report which requests legislative action to establish parameters on the amount of bonds a community development district may issue and provide additional oversight for community development district bonds. This report renewed requests made by the Auditor General in 2011 that led to the Governor of the State issuing an Executive Order on January 11, 2012 (the "Executive Order") directing the Office of Policy and Budget in the Executive Office of the Governor ("OPB") to examine the role of special districts in the State. As of the date hereof, the OPB has not made any recommendations pursuant to the Executive Order nor has the Florida legislature passed any related legislation. It is impossible to predict with certainty the impact that any existing or future legislation will or may have on the security for the Series 2023 Bonds. It should be noted that Section 190.16(14) of the Act provides in pertinent part that "The state pledges to the holders of any bonds issued under the Act that it will not limit or alter the rights of the district to levy and collect the ... assessments... and to fulfill the terms of any agreement made with the holders of such bonds ... and that it will not impair the rights or remedies of such holders."

### **Insufficient Resources or Other Factors Causing Failure to Complete Development**

The cost to finish each of the 2023 Projects will exceed the net proceeds from the related Series of Series 2023 Bonds. There can be no assurance, in the event the District does not have sufficient moneys on hand to complete the 2023 Projects, that the District will be able to raise, through the issuance of additional bonds or otherwise, the moneys necessary to complete the 2023 Projects. Further, the Indenture sets forth certain limitations on the issuance of additional bonds. See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2023 BONDS – Additional Obligations" for more information.

Although the [Assessment Area Three Landowner / Development Manager] and the Assessment Area Five Landowner will agree to fund or cause to be funded the completion of the related 2023 Project regardless of the insufficiency of proceeds from the Series 2023 Bonds and will enter into completion agreements with the District as evidence thereof, there can be no assurance that they will have sufficient resources to do so. Such obligations of the Landowners are unsecured obligations. The Assessment Area Three Landowner is a special-purpose entities whose assets consist primarily of its interests in the District. See "THE LANDOWNERS" herein for more information.

There are no assurances that the 2023 Projects and any other remaining development work associated with the Assessment Areas will be completed. Further, there is a possibility that, even if the Assessment Areas are developed, the Builders may not close on all or any of the lots therein, and such failure to close could negatively impact the construction and sale of homes in the Assessment Areas. The Assessment Area Three Option Agreement and the Assessment Five Contract may also be terminated by upon the occurrence or failure to occur of certain conditions set forth therein. See "THE DEVELOPMENT – Option and Builder Contracts" herein for more information.

## **Pandemics and Other Public Health Emergencies**

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

## **Cybersecurity**

The District relies on a technological environment to conduct its operations. The District, its agents and other third parties the District does business with or otherwise relies upon are subject to cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. Entities or individuals may attempt to gain unauthorized access to such parties' digital systems for the purposes of misappropriating assets or information or causing operational disruption and damage. No assurances can be given that any such attack(s) will not materially impact the operations or finances of the District, which could impact the timely payment of debt service on the Series 2023 Bonds.

## **Prepayment and Redemption Risk**

In addition to being subject to optional and mandatory sinking fund redemptions, the Series 2023 Bonds are subject to extraordinary mandatory redemption, including, without limitation, as a result of prepayments of the 2023 Special Assessments by the Landowners or subsequent owners of the property within the Assessment Areas. Any such redemptions of the Series 2023 Bonds would be at the principal amount of such Series 2023 Bonds being redeemed plus accrued interest to the date of redemption. In such event, owners of the Series 2023 Bonds may not realize their anticipated rate of return on the Series 2023 Bonds and owners of any Premium Bonds (as defined herein) may receive less than the price they paid for the Series 2023 Bonds. See "DESCRIPTION OF THE SERIES 2023 BONDS – Redemption Provisions," "– Purchase of Series 2023 Bonds" and "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2023 BONDS – Prepayment of 2023 Special Assessments" herein for more information.

## **Payment of 2023 Special Assessments after Bank Foreclosure**

In the event a bank forecloses on property because of a default on a mortgage in favor of such bank on any of the assessable lands within the District, and then the bank itself fails, the Federal Deposit Insurance Corporation (the "FDIC"), as receiver, will then become the fee owner of such property. In such event, the FDIC will not, pursuant to its own rules and regulations, likely be liable to pay the 2023 Special Assessments levied on such property. In addition, the District would require the consent of the FDIC prior to commencing a foreclosure action.

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## ESTIMATED SOURCES AND USES OF FUNDS

<u>Source of Funds</u>	Assessment Area Three Bonds	Assessment Area Five – Phase 2 Bonds
Par Amount	\$ _____	\$ _____
(Original Issue Discount)	_____	_____
Total Sources	\$ _____	\$ _____
 <u>Use of Funds</u>		
Redemption of 2018B Bonds	\$ _____	\$ _____
Deposit to Assessment Area Three Acquisition and Construction Acct	_____	_____
Deposit to Assessment Area Five – Phase 2 Acquisition and Construction Acct	_____	_____
[Deposit to Assessment Area Three Capitalized Interest Account] <sup>(1)</sup>	_____	_____
Deposit to Assessment Area Five – Phase 2 Capitalized Interest Account <sup>(1)</sup>	_____	_____
Deposit to Assessment Area Three Debt Service Reserve Account	_____	_____
Deposit to Assessment Area Five – Phase 2 Debt Service Reserve Account	_____	_____
Costs of Issuance, including Underwriter's Discount <sup>(2)</sup>	_____	_____
Total Uses	\$ _____	\$ _____

(1) Capitalized interest through \_\_\_\_\_ 1, 20\_\_.

(2) Costs of issuance includes, without limitation, legal fees and other costs associated with the issuance of the Series 2023 Bonds.

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## DEBT SERVICE REQUIREMENTS

The following table sets forth the scheduled debt service on the Series 2023 Bonds:

<u>Year Ended</u> <u>November 1</u>	<u>Assessment Area Three Bonds</u>		<u>Assessment Area Five-</u> <u>Phase 2 Bonds</u>		<u>Total</u> <u>Debt Service</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	

Total

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## **THE DISTRICT**

### **General Information**

The District was established by Ordinance 18-30 enacted by the City Council of the City of Port St. Lucie, Florida, which became effective on July 9, 2018 (the "Ordinance"), under the provisions of the Act. The District is located within the corporate boundaries of the City in southeastern St. Lucie County, and its boundaries include approximately 754.75 gross acres of land (the "District Lands"). The District Lands are being developed as a series of single-family residential developments known as "Veranda Gardens," "Veranda Preserve," "Veranda Oaks" and "Veranda Estates" (collectively, the "Development"). See "THE DEVELOPMENT" herein for more information regarding the development plan and status of the Development.

### **Legal Powers and Authority**

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

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

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

The Act exempts all property owned by the District from levy and sale by virtue of an execution and from judgment liens, but does not limit the right of any bondholders to pursue any remedy for enforcement of any lien or pledge of the District in connection with its bonds, including the Series 2023 Bonds.

## Board of Supervisors

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

The landowners in the District elect two Supervisors to four-year terms and three Supervisors to two-year terms at bi-annual elections. Thereafter, the elections will take place every two years on a date in November established by the Board. Upon the later of six years after the initial appointment of Supervisors and the year when the District next attains at least 250 qualified electors, two Supervisors whose terms are expiring will be elected by qualified electors of the District and one will be elected by the landowners. Thereafter, as described in more detail below, all Supervisors will be elected by qualified electors. A qualified elector is a registered voter in the County where the District is located who is at least eighteen years of age, a resident of the District and the State and a citizen of the United States. At the election where Supervisors are first elected by qualified electors, two Supervisors must be qualified electors and be elected by qualified electors, each elected to four-year terms. The seat of the remaining Supervisor whose term is expiring at such election shall be filled by a Supervisor who is elected by the landowners for a four-year term and who is not required to be a qualified elector. Thereafter, as terms expire, all Supervisors must be qualified electors and must be elected by qualified electors to serve staggered four-year terms.

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

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

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

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Graydon E. Miars*	Chairman	November 2026
R. Austin Burr*	Vice Chair	November 2026
James "Bo" Jahna[*]	Assistant Secretary	November 2024
Ben Meyers*	Assistant Secretary	November 2024
Robert Nelson*	Assistant Secretary	November 2024

\* Employee of an affiliate of the Assessment Area Five Landowner.

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

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

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

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

The District has retained Rizzetta & Company, Inc., Tampa, Florida, to serve as its district manager ("District Manager"). The District Manager's office is located at 3434 Colwell Ave. Suite 200, Tampa, Florida 33614.

The Act further authorizes the Board to hire such employees and agents as it deems necessary. Thus, the District has employed the services of Akerman LLP, Jacksonville, Florida, as Bond Counsel; Culpepper and Terpening, Inc., Ft. Pierce, Florida, as Consulting Engineer; and Kutak Rock LLP, Tallahassee, Florida, as District Counsel. The Board has also retained the District Manager to serve as Methodology Consultant and prepare the Assessment Methodology and to serve as Dissemination Agent for the Series 2023 Bonds.

### **Outstanding Bond Indebtedness**

On December 24, 2018, the District issued its Special Assessment Revenue Bonds, Series 2018A (Assessment Area One – Gardens East Project) (the "Assessment Area One Bonds") in the original aggregate principal amount of \$7,405,000, its Special Assessment Revenue Bonds, Series 2018A (Assessment Area Two – Preserve West Project) (the "Assessment Area Two Bonds") in the original aggregate principal amount of \$7,045,000 and its Special Assessment Revenue Bonds, Series 2018B (Assessment Areas Three, Four and Five) (the "Series 2018B Bonds") in the original aggregate principal amount of \$6,910,000.

The Assessment Area One Bonds and the Assessment Area Two Bonds are secured by special assessments levied on the District Lands within Assessment Area One and Assessment Area Two, respectively, which lands are separate and distinct from the lands subject to the Series 2023 Special Assessments securing the Series 2023 Bonds, and were outstanding in the principal amounts of \$6,770,000 and \$6,490,000, respectively, as of November 2, 2023.

The Series 2018B Bonds are secured by the Series 2018B Special Assessments, which were initially levied on the District Lands within Assessment Area Three, Assessment Area Four and Assessment Area Five. The Series 2018B Bonds were partially refunded from proceeds of the Assessment Area Four Bonds and the Assessment Area Five – Phase 1 Bonds, and are currently outstanding in the principal amount of \$3,895,000 as of November 2, 2023. A portion of the proceeds of the Assessment Area Three Bonds and the Assessment Area Five – Phase 2 Bonds will be applied to refund the remaining outstanding Series 2018B Bonds, corresponding to the portion of the Series 2018B Bonds secured by Series 2018B Special Assessments levied on the District Lands within Assessment Area Three and Assessment Area Five – Phase 2, respectively. Accordingly, following the issuance of the Series 2023 Bonds, the Series 2018B Special Assessments will no longer be levied on the District Lands within Assessment Area Three and Assessment Area Five – Phase 2.



On March 22, 2021, the District issued its Special Assessment Revenue and Refunding Bonds, Series 2021 (Assessment Area Four – Veranda Oaks Project) (the "Assessment Area Four Bonds"), in the original aggregate principal amount of \$8,090,000, and its Special Assessment Revenue and Refunding Bonds, Series 2021 (Assessment Area Five – Phase 1 – Veranda Estates Project) (the "Assessment Area Five – Phase 1 Bonds"), in the original principal amount of \$5,000,000. The Assessment Area Four Bonds and the Assessment Area Five – Phase 1 Bonds are secured by special assessments levied on the District Lands within Assessment Area Four and Assessment Area Five – Phase 1, respectively, which lands are separate and distinct from the lands subject to the Series 2023 Special Assessments securing the Series 2023 Bonds, and were outstanding in the principal amounts of \$6,770,000 and \$6,490,000, respectively, as of November 2, 2023.

The Assessment Area One Bonds, the Assessment Area Two Bonds, the Series 2018B Bonds, the Assessment Area Four Bonds and the Assessment Area Five – Phase 1 Bonds are collectively referred to herein as the "Prior Bonds."

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## CAPITAL IMPROVEMENT PLAN AND THE 2023 PROJECTS

### Overview

The District contains approximately 754.75 acres of land, which are being developed as a series of single-family residential developments known as "Veranda Gardens," "Veranda Preserve," "Veranda Oaks" and "Veranda Estates" (collectively, the "Development"). The Development is being developed in phases and, at buildout, is planned for approximately 1,576 single-family homes and associated amenities. See "THE DEVELOPMENT" herein for more information.

The District created separate Assessment Areas to coincide with the current plan of development for the District Lands. The chart below sets forth the Assessment Areas planned within the District:

<b>Assessment Area One</b>	<b>Assessment Area Two</b>	<b>Assessment Area Three</b>	<b>Assessment Area Four</b>	<b>Assessment Area Five – Phase 1</b>	<b>Assessment Area Five – Phase 2</b>
Veranda Gardens East	Veranda Preserve West	Veranda Preserve East	Veranda Oaks	Veranda Estates-Phase 1	Veranda Estates-Phase 2
100 acres	108 acres	158 acres	63 acres	90 acres	119 acres
342 Units	322 Units	464 Units	210 Units	116 Units	122 Units

Culpepper and Terpening, Inc. (the "Consulting Engineer") has prepared its Engineer's Report dated August 27, 2018 ("Master Engineer's Report"), which sets forth the District's capital improvement program, including without limitation stormwater management facilities, water distribution systems, wastewater collection systems, irrigation water systems, and roadway improvements (collectively, the "Capital Improvement Plan"). The Capital Improvement Plan also includes the District's proportionate share of the cost of certain improvements previously funded by the St. Lucie Land Holdings Special Assessment District (the "SAD"), which included roadway improvements and potable water, wastewater and reuse irrigation improvements for the benefit of the lands within the SAD, which include the District Lands. The Consulting Engineer estimates the total cost of the Capital Improvement Plan to be approximately \$51,970,557.

In 2018, the District issued its Assessment Area One Bonds to finance certain public infrastructure improvements associated with the 342 single-family units planned for Assessment Area One (the "Assessment Area One Project"). The District simultaneously issued its Assessment Area Two Bonds to finance certain public infrastructure improvements associated with the 322 single-family units planned for Assessment Area Two (the "Assessment Area Two Project") and its Series 2018B Bonds to finance master infrastructure improvements associated with Becker Road, a four-lane spine road that runs through the District (the "2018B Project"). The Assessment Area One Project, the Assessment Area Two Project, and the 2018B Project have been completed.

In 2021, the District issued its Assessment Area Four Bonds and its Assessment Area Five – Phase 1 Bonds to finance certain public infrastructure improvements associated with the 210 single-family units planned for Assessment Area Four and the 116 single-family units planned for Assessment Area Five – Phase 1, respectively (the "Assessment Area Four Project" and the "Assessment Area Five – Phase 1 Project" respectively). The Assessment Area Four Project is underway, and the Assessment Area Five – Phase 1 Project has been completed.

See "THE DEVELOPMENT – Update on Prior Phases" herein for more information on the status of development and home sales in the various Assessment Areas.

## 2023 Projects

The District Engineer has prepared Supplement No. 3 to the Master Engineer's Report, dated [October 5], 2023 (collectively with the Master Engineer's Report, the "Engineer's Report"), to describe the portions of the Capital Improvement Plan associated with the development of Assessment Area Three and Assessment Area Five – Phase 2, as set forth below:

Description	Assessment		Total
	Assessment Area Three (Veranda Preserve East)	Area Five – Phase 2 (Veranda Estates)	
Water	\$ _____	\$ _____	\$ _____
Wastewater	_____	_____	_____
Drainage	_____	_____	_____
Irrigation/Reuse Water	_____	_____	_____
Becker Roadway	_____	_____	_____
St. Lucie Land SAD*	_____	_____	_____
<b>Total:</b>	<b>\$ _____</b>	<b>\$ _____</b>	<b>\$ _____</b>

\* Amounts shown above reflect each assessment area's estimated proportionate share of the payoff amount for the SAD Assessments previously levied on the District Lands in connection with the public infrastructure improvements funded by the SAD. See "ASSESSMENT METHODOLOGY AND THE ALLOCATION OF ASSESSMENTS – Overlapping Taxes, Fees and Assessments" herein.

### Assessment Area Three Project

"Assessment Area Three," which corresponds to the Veranda Preserve East community within the Development, consists of approximately 158 gross acres and is planned to contain 464 single-family units. The "Assessment Area Three Project" consists of those portions of the Capital Improvement Plan associated with the development of Assessment Area Three and has an estimated cost of \$[ ] million. Net proceeds of the Assessment Area Three Bonds will (i) redeem a portion of the Series 2018B Bonds associated with Assessment Area Three in the principal amount of \$3,040,000 and (ii) fund approximately \$8.56 million\* of the costs of the Assessment Area Three Project. The Assessment Area Three Landowner will enter into a completion agreement whereby it agrees to either complete or pay for the costs of the Assessment Area Three Project not funded with bond proceeds. See "BONDOWNERS' RISKS – Insufficient Resources or Other Factors Causing Failure to Complete Development" and "THE DEVELOPMENT – Landowner Agreements" for more information regarding the completion agreement.

Land development of Assessment Area Three commenced in [ ] and is substantially complete, with completion expected by [ ]. See "THE DEVELOPMENT – Development Plan and Status" herein for more information regarding the timing for development of Assessment Area Three.

### Assessment Area Five – Phase 2 Project

"Assessment Area Five," which corresponds to the Veranda Estates community within the Development, contains approximately 209 acres planned for a total of 238 single-family units and is being developed in two phases. The second phase of Assessment Area Five ("Assessment Area Five – Phase 2") consists of approximately 119 gross acres and is planned to contain 122 single-family units. The "Assessment Area Five – Phase 2 Project" consists of those portions of the Capital Improvement Plan associated with the development of Assessment Area Five – Phase 2 and has an estimated cost of \$[ ] million. Net proceeds of the Assessment Area Five – Phase 2 Bonds will (i) redeem a portion of the Series

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\* Preliminary, subject to change.

2018B Bonds associated with Assessment Area Five – Phase 2 in the principal amount of \$855,000 and (ii) fund approximately \$4.27 million\* of the costs of the Assessment Area Five – Phase 2 Project. The Assessment Area Five – Phase 2 Project and the Assessment Area Three Project are collectively referred to herein as the "2023 Projects." The Assessment Area Five Landowner will enter into a completion agreement whereby it agrees to either complete or pay for the costs of the Assessment Area Five – Phase 2 Project not funded with bond proceeds. See "BONDOWNERS' RISKS – Insufficient Resources or Other Factors Causing Failure to Complete Development" and "THE DEVELOPMENT – Landowner Agreements" for more information regarding the completion agreement.

Land development of Assessment Area Five – Phase 2 is expected to commence in [ ] and be completed by the [ ] calendar quarter of 2024. See "THE DEVELOPMENT – Development Plan and Status" for more information regarding the timing for development of Assessment Area Five – Phase 2.

### **Permits**

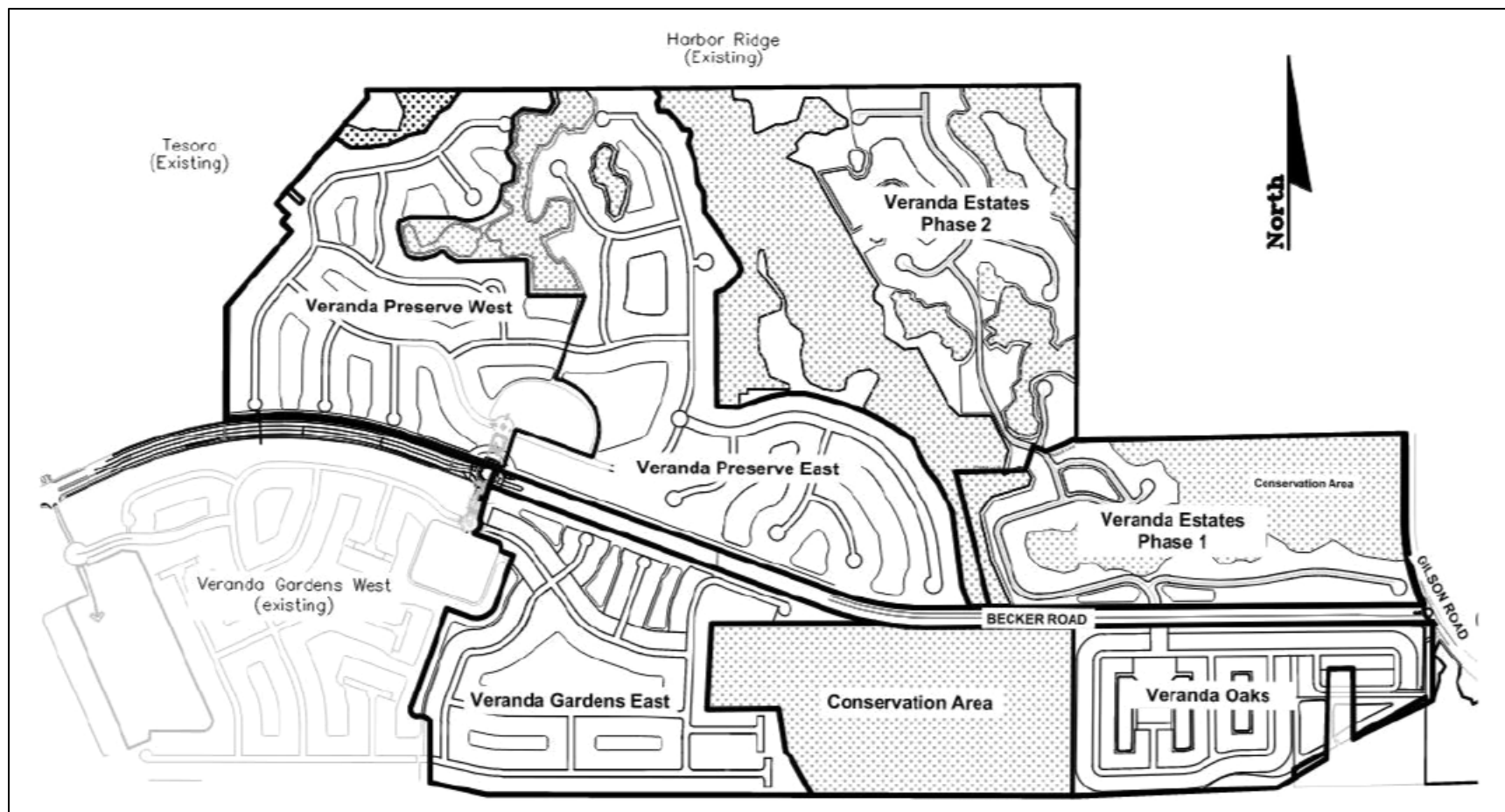
The Consulting Engineer will certify that all permits necessary to construct the 2023 Projects and develop Assessment Area Three and Assessment Area Five – Phase 2 have either been obtained or are expected to be obtained in the ordinary course. In addition to the Engineer's Report, see "THE DEVELOPMENT – Development Approvals" for a more detailed description of the entitlement and permitting status of the Development.

Set forth below is a sketch showing the general location of each of the Assessment Areas within the District.

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\* Preliminary, subject to change.



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## ASSESSMENT METHODOLOGY AND THE ALLOCATION OF ASSESSMENTS

### Overview

Rizzetta & Company, Incorporated, Tampa, Florida (the "Methodology Consultant"), has prepared the Master Special Assessment Allocation Report dated September 17, 2018, as supplemented by the [Preliminary Supplemental Special Assessment Allocation Report, dated \_\_\_\_\_, 2023] (collectively, "Assessment Methodology"), included herein as APPENDIX D. The Assessment Methodology sets forth an overall method for allocating the Assessment Area Three Special Assessments and the Assessment Area Five – Phase 2 Special Assessments to the District Lands. Once the final terms of each Series of the Series 2023 Bonds are determined, the Assessment Methodology will be amended to reflect such final terms. Once levied and imposed, and subject to further allocation in accordance with the Assessment Methodology, the Assessment Area Three Special Assessments and the Assessment Area Five – Phase 2 Special Assessments will be first liens on the respective District Lands against which they are assessed until paid or barred by operation of law, co-equal with one another and with other taxes and assessments levied by the District and other units of government. See "ENFORCEMENT OF ASSESSMENT COLLECTIONS" herein.

### Assessment Area Three Special Assessments

The Assessment Area Three Bonds are payable from and secured by a pledge of the Assessment Area Three Pledged Revenues, which consist primarily of the revenues received by the District from the Assessment Area Three Special Assessments. The District will initially impose the Assessment Area Three Special Assessments across all of the land in Assessment Area Three, which consists of approximately 158 developable acres being developed as "Veranda Preserve East" and is planned to contain 464 single-family units. As the land in Assessment Area Three is platted, the debt will be transferred from the acres to platted lots at the time parcels are platted or otherwise subdivided into platted units on an equivalent residential unit (ERU) basis, in accordance with the Assessment Methodology. See "ASSESSMENT METHODOLOGY AND THE ALLOCATION OF ASSESSMENTS" for more information.

Upon platting and absorption, the estimated Assessment Area Three Special Assessments levied and allocated to platted units to pay debt service on the Assessment Area Three Bonds and the estimated par per unit for the Assessment Area Three Bonds are expected to be as follows:

<b>Product</b>	<b>Planned Units</b>	<b>Net Annual Assessment*</b>	<b>Assessment Area Three Bonds Par Per Unit*</b>
Twin Villa	182	\$1,750	\$24,093
Single-Family 50'	135	\$1,850	\$25,470
Single-Family 62'	<u>147</u>	\$1,950	\$26,847
<b>Total</b>	<b>464</b>		

\* Preliminary, subject to change. Annual assessment levels collected via the Uniform Method [will include] a gross up for County collection costs and statutory early payment discounts.

### Assessment Area Five – Phase 2 Special Assessments

The Assessment Area Five – Phase 2 Bonds are payable from and secured by a pledge of the Assessment Area Five – Phase 2 Pledged Revenues, which consist primarily of the revenues received by the District from the Assessment Area Five – Phase 2 Special Assessments. The District will initially impose the Assessment Area Five – Phase 2 Special Assessments across all of the lands in Assessment Area Five – Phase 2, which consist of approximately 119 gross acres being developed as Phase 2 of "Veranda

Estates" and are planned to contain 122 single-family units. As the lands in Assessment Area Five – Phase 2 are developed, the debt will be transferred from the acres to platted lots at the time parcels are platted or otherwise subdivided into platted units on an equivalent residential unit (ERU) basis, in accordance with the Assessment Methodology. See "ASSESSMENT METHODOLOGY AND THE ALLOCATION OF ASSESSMENTS" for more information.

Upon platting and absorption, the estimated Assessment Area Five – Phase 2 Special Assessments levied and allocated to platted units to pay debt service on the Assessment Area Five – Phase 2 Bonds and the estimated par per unit for the Assessment Area Five – Phase 2 Bonds are expected to be as follows:

<b>Product</b>	<b>Planned Units</b>	<b>Net Annual Assessment*</b>	<b>Assessment Area Five – Phase 2 Bonds Par Per Unit*</b>
Single-Family 52'	60	\$3,470	\$47,018
Single-Family 62'	<u>62</u>	\$4,137	\$56,060
<b>Total</b>	<b>122</b>		

\* Preliminary, subject to change. Annual assessment levels collected via the Uniform Method [will include] a gross up for County collection costs and statutory early payment discounts. In accordance with the Assessment Area Five Contract, the Assessment Area Five Landowner expects to prepay a portion of the Assessment Area Five – Phase 2 Special Assessments upon the sale of developed lots to Kolter to achieve an annual net assessment level of \$1,800 per year, representing a prepayment of approximately \$22,633 per 52' lot and \$31,675 per 62' lot, for a total prepayment of approximately \$3,320,000. Prepayment of the Assessment Area Five – Phase 2 Special Assessments is not an obligation of the District. See "– Option and Builder Contracts – Assessment Area Five – Phase 2" for more information regarding the Assessment Area Five Contract.

## Overlapping Taxes, Fees and Assessments

The District anticipates levying assessments to cover its operation and administrative costs in the amount of approximately \$167 per single-family unit annually, but such amounts are subject to change.

In addition, the District Lands have been and will continue to be subject to taxes and assessments imposed by taxing authorities other than the District. These taxes are payable in addition to the respective 2023 Special Assessments and any other assessments levied by the District. The District Lands are located within the St. Lucie Holdings Special Assessment District (the "SAD"), which levies assessments on the District Lands (the "SAD Assessment") in connection with the previous bond financing by the SAD of certain master transportation and utility infrastructure improvements constructed for the benefit of lands within the SAD, which include the District Lands. See "CAPITAL IMPROVEMENT PLAN AND THE 2023 PROJECTS – Overview" herein for more information regarding each Assessment Area's proportionate share of the cost of such improvements. The [respective] Landowners will prepay the SAD Assessment on lots in [Assessment Area Three] and Assessment Area Five – Phase 2 no later than the date of closings upon such lots under the [Assessment Area Three Option Agreement] and the Assessment Area Five Contract, respectively. The SAD Assessment will expire in tax year 2027 with respect to the remaining District Lands.

In addition, exclusive of voter-approved millages levied for general obligation bonds, as to which no limit applies, the City, the County and the School Board of St. Lucie County each levy ad valorem taxes upon the land in the District. The District has no control over the level of ad valorem taxes and/or special assessments levied by other taxing authorities. It is possible that in future years taxes levied by these other entities could be substantially higher than in the current year. See "THE DEVELOPMENT – Taxes, Fees and Assessments" for more information.

*The information appearing below under the captions "THE DEVELOPMENT" and "THE LANDOWNERS" has been furnished by the respective Landowners for inclusion in this Limited Offering Memorandum and, although believed to be reliable, such information has not been independently verified by Bond Counsel, the District or its counsel, or the Underwriter or its counsel, and no persons other than the Landowners make any representation or warranty as to the accuracy or completeness of such information supplied by them. The following information is provided by the Landowners as a means for the prospective bondholders to understand the anticipated development plan and risks associated with the Development. The Landowner is not guaranteeing payment of the Series 2023 Bonds or the 2023 Special Assessments.*

## **THE DEVELOPMENT**

### **General**

The boundaries of the District include a total of approximately 754.75 acres of land (the "District Lands"), located within the municipal boundaries of the City of Port St. Lucie, in southeastern St. Lucie County. The District Lands are being developed as a series of single-family residential developments (collectively, the "Development"). The Development is located along the north and south sides of Becker Road, east of the Florida Turnpike.

The Development is located within the boundaries of the Veranda Planned Unit Development (the "Veranda PUD"), which is approved for 3,230 residential units. The Development is located to the east of, and is being developed as an extension of, an existing development known as "Veranda Gardens," which is also within the Veranda PUD. The existing Veranda Gardens development contains 378 single-family homes constructed by DiVosta Homes, all of which have been sold and closed with homebuyers at an average sales price of approximately \$360,000. Other completed development within the Veranda PUD includes the Floridian National Golf Club, which includes golf courses, a clubhouse, golf cottages, a spa and residential homesites.

At buildout, the Development is planned to contain approximately 1,576 single-family residential units. The Development contains five distinct assessment areas, consisting of Assessment Area One planned for 342 lots, Assessment Area Two planned for 322 lots, Assessment Area Three planned for 464 lots, Assessment Area Four planned for 210 lots and Assessment Area Five planned for 238 lots. Assessment Area Five has been further divided into Assessment Area Five – Phase 1, planned for 116 lots, and Assessment Area Five – Phase 2, planned for 122 lots. See "–Development Plan and Status" herein.

In 2018, the District issued its Assessment Area One Bonds to finance certain public infrastructure improvements associated with the 342 single-family units planned for Assessment Area One (the "Assessment Area One Project"), its Assessment Area Two Bonds to finance certain public infrastructure improvements associated with the 322 single-family units planned for Assessment Area Two (the "Assessment Area Two Project") and its Series 2018B Bonds to finance master infrastructure improvements associated with Becker Road, a four-lane spine road that runs through the District (the "2018B Project"). The Assessment Area One Project, the Assessment Area Two Project, and the 2018B Project have been completed. In 2021, the District issued its Assessment Area Four Bonds and its Assessment Area Five – Phase 1 Bonds to finance certain public infrastructure improvements associated with the 210 single-family units planned for Assessment Area Four and the 116 single-family units planned for Assessment Area Five – Phase 1, respectively (the "Assessment Area Four Project" and the "Assessment Area Five – Phase 1 Project" respectively). See "THE DISTRICT – Outstanding Bond Indebtedness" herein and "– Update on Prior Phases" below for more information.



The Assessment Area Three Bonds will be secured by the Assessment Area Three Special Assessments, which will initially be levied on the 158 acres within Assessment Area Three. As lots are platted, the Assessment Area Three Special Assessments will be assigned to the 464 lots planned for Assessment Area Three on a first-platted, first-assigned basis, as set forth in the Assessment Methodology. See "ASSESSMENT METHODOLOGY AND THE ALLOCATION OF ASSESSMENT" herein.

The Assessment Area Five – Phase 2 Bonds will be secured by the Assessment Area Five – Phase 2 Special Assessments, which will initially be levied on the 119 acres within Assessment Area Five – Phase 2. As lots are platted, the Assessment Area Five – Phase 2 Special Assessments will be assigned to the 122 lots planned for Assessment Area Five – Phase 2 on a first-platted, first-assigned basis, as set forth in the Assessment Methodology. See "ASSESSMENT METHODOLOGY AND THE ALLOCATION OF ASSESSMENT" herein.

AG EHC II (LEN) Multi State 1, LLC, a Delaware limited liability company (the "Assessment Area Three Landowner") is the sole landowner within Assessment Area Three. The Assessment Area Three Landowner has entered into the Assessment Area Three Construction Agreement (as defined herein) with Lennar Homes, LLC, a Florida limited liability company (the "Assessment Area Three Development Manager" or "Lennar Homes") pursuant to which the Assessment Area Three Development Manager will manage the installation of the infrastructure improvements for Assessment Area Three, which will be funded by the Assessment Area Three Landowner. In addition, the Assessment Area Three Landowner has entered into the Assessment Area Three Option Agreement (as defined herein) with Lennar Homes pursuant to which Lennar Homes has the option to purchase all of the developed lots in Assessment Area Three. See "–Option and Builder Contracts" herein and "THE LANDOWNERS – The Assessment Area Three Landowner" and " – The Assessment Area Three Development Manager" herein for more information.

Veranda St. Lucie Land Holdings, LLC, a Delaware limited liability company (the "Assessment Area Five Landowner" and, together with the Assessment Area Three Landowner, the "Landowners"), is the sole landowner within Assessment Area Five – Phase 2. See "THE LANDOWNERS – The Assessment Area Five Landowner" herein for more information. The Assessment Area Five Landowner has entered into a builder contract with Kolter to purchase all 238 finished lots planned for Assessment Area Five, including the 122 lots planned for Phase 2. See "–Option and Builder Contracts" below for more information.

The Development will attract primary homebuyers, families and retirees. Veranda Preserve East, which corresponds to Assessment Area Three, is production in nature and will start from the [high \$300,000s]. Due to the unique topography of the land within Assessment Area Five, which includes wetlands and nature preserves, Veranda Estates will be marketed at a higher price point of [\$400,000 to \$600,000], depending on lot size and location. See "–Residential Product Offerings" herein.

## **Update on Prior Phases**

### **Assessment Area One**

The District previously issued its Assessment Area One Bonds in the original principal amount of \$7,405,000 to finance certain public infrastructure improvements associated with the 342 single-family units planned for Assessment Area One (the "Assessment Area One Project"). The Assessment Area One Project is complete, all 342 lots have been developed, platted, and closed with DiVosta Homes, the sole homebuilder for Assessment Area One. As of [September 30], 2023, [89] homes have sold and closed with homebuyers, with an additional [104] homes have sold pending closing.

## **Assessment Area Two**

The District previously issued its Assessment Area Two Bonds in the original principal amount of \$7,045,000 to finance certain public infrastructure improvements associated with the 322 single-family units planned for Assessment Area Two (the "Assessment Area Two Project"). The Assessment Area Two Project is complete, all 322 lots have been developed, platted, and closed with Lennar Homes, the sole homebuilder for Assessment Area Two. As of [September 30], 2023, [233] homes have sold and closed with homebuyers, with an additional [18] homes have sold pending closing.

## **Assessment Area Four**

The District previously issued its Assessment Area Four Bonds in the original principal amount of \$8,090,000 to finance certain public infrastructure improvements associated with the [211] single-family units planned for Assessment Area Four (the "Assessment Area Four Project"). The Assessment Area Four Project is being installed in three phases. Phases 1 and 2 are complete, and all [97] lots planned for phases 1 and 2 have been developed, platted, and closed with Taylor Morrison, the sole homebuilder for Assessment Area Four. Land development for the [114] lots planned for phase 3 is underway with completion expected by the [first calendar quarter of 2024]. Sales to homebuyers are expected to commence [\_\_\_\_], 20[\_\_\_\_].

## **Assessment Area Five – Phase 1**

The District previously issued its Assessment Area Five – Phase 1 Bonds in the original principal amount of \$5,000,000 to finance certain public infrastructure improvements associated with the 116 single-family units planned for Assessment Area Five – Phase 1 (the "Assessment Area Five – Phase 1 Project"). The Assessment Area Five – Phase 1 Project is complete, and all 116 lots have been developed, platted, and closed with Kolter, the sole homebuilder for Assessment Area Five. As of [September 30], 2023, [3] homes have sold and closed with homebuyers, with an additional [14] homes have sold pending closing.

## **Master Infrastructure Improvements**

The District issued its Series 2018B Bonds to finance certain master infrastructure improvements associated with the Becker Road corridor and the installation of linear parks, sidewalks, lighting, oak trees, landscape berms and pet stations throughout the Development. The portion of improvements to Becker Road associated with the 2018B Project are complete, as is the remainder of the 2018B Project. Further improvements to Becker Road were included as a part of the 2021 Projects. Such improvements are [complete]. See "CAPITAL IMPROVEMENT PLAN AND THE 2023 PROJECTS" herein and "APPENDIX C: ENGINEER'S REPORT" hereto.

Set forth on the following page is a chart which summarizes the development plan and status for the Development, as of [\_\_\_\_], 2023:

[Remainder of page intentionally left blank.]

	Assessment Area One	Assessment Area Two	Assessment Area Three	Assessment Area Four	Assessment Area Five – Phase 1	Assessment Area Five – Phase 2
Name	Veranda Gardens East	Veranda Preserve West	Veranda Preserve East	Veranda Oaks	Veranda Estates	
Bond Series	2018A (AA1)	2018A (AA2)	2023 (AA3)	2021 (AA4)	2021 (AA5)	2023 (AA5)
<b>Bonds Issued</b>						
2018A	\$7,405,000	\$7,045,000	--	--	--	--
2018B*	--	--	\$3,210,000	\$2,030,000	\$815,000	\$855,000
2021	--	--	--	\$8,090,000	\$5,000,000	--
2023	--	--				
<b>Bonds Outstanding</b>						
2018A	\$ _____	\$ _____	--	--	--	--
2018B*	--	--	--	--	--	--
2021	--	--	--	\$ _____	\$ _____	--
2023	--	--	\$ _____	--	--	\$ _____
<b>Builder</b>	DiVosta	Lennar	Lennar	Taylor Morrison	Kolter	
<b>Lots Planned</b>	342	322	464	210	116	122
<b>Lots Platted</b>	342	322	___	101	116	--
<b>Lots Under Contract</b>	342	322	464	210	116	122
<b>Lots Closed with Builders</b>	342	322	___	101	116	--
<b>Homes Closed</b>	___	___	___	___	___	--
<b>Homes Sold (Not Closed)</b>	___	___	___	___	___	--
<b>Average Sales Price</b>	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	

\* Represents the amount of Series 2018B Bonds apportioned to each Assessment Area upon issuance. The Series 2018B Bonds apportioned to Assessment Area Four and Assessment Area Five – Phase 1 were redeemed upon issuance of the Series 2021 Bonds, and the Series 2018B Bonds apportioned to Assessment Area Three and Assessment Area Five – Phase 2 will be redeemed upon issuance of the Series 2023 Bonds. See "THE DISTRICT – Outstanding Indebtedness" herein for more information.

## Land Acquisition

The Assessment Area Five Landowner acquired title to all of the District Lands in March 2014 for a total purchase price of approximately \$18,402,000, paid with equity. The Assessment Area Five Landowner's interest in the District Lands is not subject to mortgage liens[, except with respect to the Assessment Area Three Builder Contract].

The Assessment Area Three Landowner purchased from the Assessment Area Five Landowner the land within Assessment Area Three in April 2022 for a total purchase price of approximately \$29,000,000, paid with equity. The Assessment Area Three Landowner's interest in Assessment Area Three is not subject to mortgage liens.

## Development Plan and Status

The Development is being developed in phases. A description of the development plan and status for Assessment Area Three and Assessment Area Five within the Development is set forth below.

- Assessment Area Three, which corresponds to the "Veranda Preserve East" phase of development, is planned for 464 single-family residential units. Land development in Assessment Area Three commenced in [ ] and is [substantially complete] with completion expected by [ ], at which point sales and vertical construction will commence. Closings with homebuyers are expected to commence within Assessment Area Three by [ ]. The Assessment Area Three Landowner expects approximately [ ] homes will be sold per annum until buildout.
- Assessment Area Five – Phase 2, which corresponds to the second sub-phase of the "Veranda Estates" phase of development, is planned for 122 single-family residential units. Land development is expected to commence in [ ] and be completed by [ ], at which point lots will be taken down in bulk by Kolter, and marketing of residential units within Phase 2 will commence. Closings with homebuyers within Assessment Area Five – Phase 2 are expected to commence by [ ], and the Assessment Area Five Landowner expects approximately [ ] homes will be sold per annum until buildout.

The anticipated absorption rates described herein are based upon estimates and assumptions made by the Landowners that are inherently uncertain, though considered reasonable by the Landowners, and are subject to significant business, economic, and competitive uncertainties and contingencies, all of which are difficult to predict and many of which are beyond the control of the Landowners. As a result, there can be no assurance such absorption rates will occur or be realized in the time frame anticipated.

## Development Finance Plan

### Assessment Area Three

The total cost to develop the onsite infrastructure associated with Assessment Area Three is approximately \$[ ] million. Net proceeds of the Assessment Area Three Bonds, after the redemption of the Series 2018B Bonds associated with Assessment Area Three, will be approximately \$8.56 million.\* Costs not funded from proceeds of the Assessment Area Three Bonds will be funded by the Assessment Area Three Landowner. The [Assessment Area Three Landowner] will enter into a completion agreement upon the issuance of the Assessment Area Three Bonds, whereby it will agree to either complete or fund the completion of the Assessment Area Three Project to the extent that net proceeds of the Assessment Area Three Bonds are not sufficient therefor. See "BONDOWNERS' RISKS – Insufficient Resources or Other Factors Causing Failure to Complete Development" herein.

The Assessment Area Three Landowner has entered into a Construction Agreement dated April 25, 2022 (the "Assessment Area Three Construction Agreement") with Lennar Homes pursuant to which Lennar Homes will manage the installation of infrastructure improvements for Assessment Area Three, and the Assessment Area Three Landowner is obligated to reimburse Lennar Homes for the associated costs incurred. [Additional disclosure to come]

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\* Preliminary, subject to change.

## **Assessment Area Five – Phase 2**

The total cost to develop the onsite infrastructure associated with Assessment Area Five – Phase 2 is approximately \$[ ] million. Net proceeds of the Assessment Area Five – Phase 2 Bonds, after the redemption of the Series 2018B Bonds associated with Assessment Area Five – Phase 2, will be approximately \$4.24 million.\* The Assessment Area Five Landowner will enter into a completion agreement upon the issuance of the Assessment Area Five – Phase 2 Bonds, whereby it will agree to either complete or fund the completion of the Assessment Area Five – Phase 2 Project to the extent that bond proceeds are not sufficient therefor. See "BONDOWNERS' RISKS – Insufficient Resources or Other Factors Causing Failure to Complete Development" herein.

## **Option and Builder Contracts**

### **Assessment Area Three**

The Assessment Area Three Landowner and Lennar Homes have entered into an Option Agreement dated April 25, 2022 (the "Assessment Area Three Option Agreement"). [Disclosure to come]

For more information regarding Lennar Homes, see "THE LANDOWNERS – The Assessment Area Three Development Manager" herein.

### **Assessment Area Five – Phase 2**

The Assessment Area Five Landowner has entered into a Purchase and Sale Agreement dated December 4, 2020 (the "Assessment Area Five Contract"), with Kolter Group Acquisitions, LLC, a Florida limited liability company ("Kolter"), to purchase all two hundred thirty-eight (238) fully developed single-family lots in Assessment Area Five, including the one hundred twenty-two (122) lots planned for Assessment Area Five – Phase 2. Pursuant to the Assessment Area Five Contract, the base purchase price is \$80,600 for each 52-foot lot and \$96,100 for each 62-foot lot, subject to a 3% per annum escalator for the second closing, at which Kolter is expected to take down the lots in Assessment Area Five – Phase 2. The total expected consideration for the sale of all 238 lots under the Assessment Area Five Contract is approximately \$31.4 million under the Assessment Area Five Contract, approximately \$10.8 million of which is attributable to the 122 lots planned for Phase 2.

The first takedown of six (6) model home lots closed in [ ], and the second takedown of one hundred ten (110) lots, consisting of eighty-three (83) 52-foot lots and twenty-seven (27) 62-foot lots, closed in [ ]. The final closing under the Assessment Area Five contract, which is associated with the one hundred twenty-two (122) lots planned for Assessment Area Five – Phase 2, shall occur twenty-four (24) months after the second takedown as further set forth in the Assessment Area Five Contract. The Assessment Area Five Landowner expects the final closing to occur in [ ].

Pursuant to the terms of the Assessment Area Five Contract, Kolter has made a deposit of \$1,500,000 which has been released to the Assessment Area Five Landowner. There is a risk that Kolter may not close on any additional lots pursuant to the Assessment Area Five Contract or may fail to construct homes on such lots. See "BONDOWNERS' RISKS – Insufficient Resources or Other Factors Causing Failure to Complete Development" herein.

Kolter was formed in 2018 and is managed by The Kolter Group, LLC, a Florida limited liability company (the "Kolter Group"). The Kolter Group was organized in December 2009 and is managed by

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\* Preliminary, subject to change.

Kevin Voller, Howard Erbstein, William Johnson and Robert Julien. The Kolter Group is a private investment firm focused on real estate development, investment and construction, based in Delray Beach, Florida. The Kolter Group and its predecessors and affiliates (collectively, the "Kolter Companies") have sponsored over \$15 billion of real estate transactions throughout the southeastern United States, including numerous transactions throughout Florida. Since 2007, the Kolter Companies have acquired over 50 projects in Florida, consisting of nearly 16,000 homesites.

*Neither the Builders nor any of the other entities listed above are guaranteeing payment of the Series 2023 Bonds or the 2023 Special Assessments. None of the entities listed herein, other than the Landowners, has entered into any agreements in connection with the issuance of the Series 2023 Bonds.*

## Residential Product Offerings

### Assessment Area Three

The following table reflects the Assessment Area Three Landowner's current expectations for Assessment Area Three, which corresponds to the "Veranda Preserve East" subdivision, along with the number of planned units, estimated number of bedrooms and bathrooms, estimated square footage, and estimated home prices therein, all of which are subject to change:

Product Type	Units Planned	Estimated Square Footage	Estimated Home Prices
Twin Villa	182	_____ – _____	\$____,000 – \$____,000
Single-Family 50'	135	_____ – _____	\$____,000 – \$____,000
Single-Family 62'	147	_____ – _____	\$____,000 – \$____,000

### Assessment Area Five – Phase 2

The following table reflects the Assessment Area Five Landowner's current expectations for Assessment Area Five – Phase 2, which corresponds to the second phase of the "Veranda Estates" subdivision, along with the number of planned units, estimated number of bedrooms and bathrooms, estimated square footage, and estimated home prices therein, all of which are subject to change:

Product Type	Units Planned	Estimated Square Footage	Estimated Home Prices
Single-Family 52'	60	[2,000 – 3,500]	[\$400,000 – \$600,000]
Single-Family 62'	62	[2,500 – 4,000]	[\$450,000 – \$650,000]

## Amenities

Residents in Assessment Area Three, which corresponds to Veranda Preserve East, will have access to the amenities planned for Assessment Area Three (the "Veranda Preserve East Amenities"). The Veranda Preserve East Amenities include a [swimming pool, cabana, outdoor covered seating area, dog park and playground] [pls edit as necessary]. The Veranda Preserve East Amenities will be constructed by the [Assessment Area Three Landowner] and will be conveyed in the future to the Veranda Preserve East Homeowners' Association. Construction of the Veranda Preserve East Amenities is expected to commence in [\_\_\_\_\_] and is expected to be completed by [\_\_\_\_\_] , at a total cost of approximately \$[\_\_\_\_\_].

Residents in Assessment Area Five – Phase 2, which corresponds to the second phase of Veranda Estates, will have access to the amenities planned for Assessment Area Five (the "Veranda Estates Amenities"). The Veranda Estates Amenities include a multi-use recreational facility that includes a

swimming pool, outdoor events area, and building with a minimum of 2,500 square feet to include a fitness space, restrooms, and multipurpose room. The Veranda Estates Amenities will be constructed by Kolter, the homebuilder of Veranda Estates, and are planned to be conveyed in the future to the Veranda Estates Homeowners' Association. Construction of the Veranda Estates Amenities [commenced] in [ ] and is expected to be completed by [ ] at a total cost of approximately [\$3,000,000].

## **Development Approvals**

The Development is located within the Veranda PUD, which is approved for 3,230 residential units, and which received zoning and conceptual site plan approval from the City in 2005. Since that time, six amendments have been approved by the City. [As amended, the Veranda PUD authorizes the development of the District Lands to contain at least 1,576 residential units, as described herein.] The Development has received permitting approval from the Army Corps of Engineers.

[Please update as needed] The lands within the Development are also subject to a Development Agreement dated August 9, 2004, as amended (the "Development Agreement"). Among the amendments, the Third Amendment to the Development Agreement, approved by the City in November, 2013, addressed the status of various obligations, and allocated the remaining obligations among various landowners within the Veranda PUD. The [Assessment Area Five Landowner] is the successor in interest as to the Stuart Holdings Parcel, as described in the Development Agreement. The only significant obligation that remains unsatisfied as to the Stuart Holdings Parcel is the widening of Becker Road, which runs east and west between the northern and southern portions of the District. The Fourth Amendment, approved by the City in April 2020, revised the extent of such improvement obligation to allow for four-laning only a portion of Becker Road, with the remaining portions being improved through the use of roundabouts and other improvements. The remaining portion of Becker Road improvements will be financed as a part of the 2023 Projects.]

The Consulting Engineer will certify that all permits necessary to construct the 2023 Projects and develop the Assessment Areas have either been obtained or are expected to be obtained in the ordinary course. See "BONDOWNERS' RISKS – Regulatory and Environmental Risks" herein for more information.

## **Utilities**

The City of Port St. Lucie Utility Service Department will provide water and sewer service to the Development. Florida Power & Light will provide electrical service to the Development.

## **Environmental**

[A Phase 1 Environmental Site Assessment ("ESA") was performed on the District Lands, as well as certain other lands outside of the District boundaries on August 8, 2013. The ESA revealed no evidence of recognized environmental conditions ("RECs"). The ESA did note the presence of two above-ground petroleum storage tanks and a 55-gallon drum and recommended testing to determine impacts to soil and/or groundwater associated with the sites. The ESA also noted that, due to the agricultural use of the subject property, further soil testing may be recommended prior to development if groundwater is to be used for potable or other domestic uses. The City of Port St. Lucie Utility Service Department will provide potable water service to the Development, and the Landowner expects that any soil contamination that may have resulted from either of the above-mentioned conditions will be addressed during the development of the District Lands.] See "BONDOWNERS' RISKS – Regulatory and Environmental Risks" herein for more information regarding potential environmental risks.

## Taxes, Fees and Assessments

### Assessment Area Three

The Assessment Area Three Bonds are payable from and secured by a pledge of the Assessment Area Three Pledged Revenues, which consist primarily of the revenues received by the District from the Assessment Area Three Special Assessments. The District will initially impose the Assessment Area Three Special Assessments across all of the land in Assessment Area Three, which consists of approximately 158 developable acres being developed as "Veranda Preserve East" and is planned to contain 464 single-family units. As the land in Assessment Area Three is platted, the debt will be transferred from the acres to platted lots at the time parcels are platted or otherwise subdivided into platted units on an equivalent residential unit (ERU) basis, in accordance with the Assessment Methodology. See "ASSESSMENT METHODOLOGY AND THE ALLOCATION OF ASSESSMENTS" for more information.

Upon platting and absorption, the estimated Assessment Area Three Special Assessments levied and allocated to platted units to pay debt service on the Assessment Area Three Bonds and the estimated par per unit for the Assessment Area Three Bonds are expected to be as follows:

<b>Product</b>	<b>Planned Units</b>	<b>Net Annual Assessment*</b>	<b>Assessment Area Three Bonds Par Per Unit*</b>
Twin Villa	182	\$1,750	\$24,093
Single-Family 50'	135	\$1,850	\$25,470
Single-Family 62'	<u>147</u>	\$1,950	\$26,847
<b>Total</b>	<b>464</b>		

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\* Preliminary, subject to change. Annual assessment levels collected via the Uniform Method [will include] a gross up for County collection costs and statutory early payment discounts.

### Assessment Area Five – Phase 2

The Assessment Area Five – Phase 2 Bonds are payable from and secured by a pledge of the Assessment Area Five – Phase 2 Pledged Revenues, which consist primarily of the revenues received by the District from the Assessment Area Five – Phase 2 Special Assessments. The District will initially impose the Assessment Area Five – Phase 2 Special Assessments across all of the lands in Assessment Area Five – Phase 2, which consist of approximately 119 gross acres being developed as Phase 2 of "Veranda Estates" and are planned to contain 122 single-family units. As the lands in Assessment Area Five – Phase 2 are developed, the debt will be transferred from the acres to platted lots at the time parcels are platted or otherwise subdivided into platted units on an equivalent residential unit (ERU) basis, in accordance with the Assessment Methodology. See "ASSESSMENT METHODOLOGY AND THE ALLOCATION OF ASSESSMENTS" for more information.

Upon platting and absorption, the estimated Assessment Area Five – Phase 2 Special Assessments levied and allocated to platted units to pay debt service on the Assessment Area Five – Phase 2 Bonds and the estimated par per unit for the Assessment Area Five – Phase 2 Bonds are expected to be as follows:



<b>Product</b>	<b>Planned Units</b>	<b>Net Annual Assessment*</b>	<b>Assessment Area Five – Phase 2 Bonds Par Per Unit*</b>
Single-Family 52'	60	\$3,470	\$47,018
Single-Family 62'	<u>62</u>	\$4,137	\$56,060
<b>Total</b>	<b>122</b>		

\* Preliminary, subject to change. Annual assessment levels collected via the Uniform Method [will include] a gross up for County collection costs and statutory early payment discounts. In accordance with the Assessment Area Five Contract, the Assessment Area Five Landowner expects to prepay a portion of the Assessment Area Five – Phase 2 Special Assessments upon the sale of developed lots to Kolter to achieve an annual net assessment level of \$1,800 per year, representing a prepayment of approximately \$22,633 per 52' lot and \$31,675 per 62' lot, for a total prepayment of approximately \$3,320,000. Prepayment of the Assessment Area Five – Phase 2 Special Assessments is not an obligation of the District. See "– Option and Builder Contracts – Assessment Area Five – Phase 2" for more information regarding the Assessment Area Five Contract.

### **Overlapping Taxes, Fees and Assessments**

The District [currently levies] assessments to cover its operation and maintenance costs in the amount of approximately [\$167] per single-family unit annually, but such amounts are subject to change. Assessment Area Three, which corresponds to Veranda Preserve East, will be subject to annual homeowners' association dues for the Veranda Preserve East Homeowners' Association in the approximate amount of \$[ ] per month per lot, which amount is subject to change. Assessment Area Five – Phase 2, which corresponds to the second phase of Veranda Estates, will be subject to annual homeowners' association dues for the Veranda Estates Homeowners' Association in the approximate amount of [\$300] per month per lot, which amount is subject to change.

The land within the District has been and is expected to continue to be subject to taxes and assessments imposed by taxing authorities other than the District. The ad valorem millage rate applicable to the District Lands for [2023] was [ ]. These taxes would be payable in addition to the 2023 Special Assessments and any other assessments levied by the District.

In addition, the District Lands have been and will continue to be subject to taxes and assessments imposed by taxing authorities other than the District. These taxes are payable in addition to the respective 2023 Special Assessments and any other assessments levied by the District. The District Lands are located within the St. Lucie Holdings Special Assessment District (the "SAD"), which levies assessments on the District Lands (the "SAD Assessment"). The [respective] Landowners will prepay the SAD Assessment on lots in [Assessment Area Three] and Assessment Area Five – Phase 2 no later than the date of closings upon such lots under the [Assessment Area Three Option Agreement] and the Assessment Area Five Contract, respectively. The SAD Assessment will expire in tax year 2027 with respect to the remaining District Lands.

In addition, exclusive of voter-approved millages levied for general obligation bonds, as to which no limit applies, the City, the County and the School Board of St. Lucie County each levy ad valorem taxes upon the land in the District. The District has no control over the level of ad valorem taxes and/or special assessments levied by other taxing authorities. It is possible that in future years taxes levied by these other entities could be substantially higher than in the current year. See "BONDOWNERS' RISKS – Other Taxes and Assessments" for more information.

## **Education**

The public schools for children residing in the Development are expected to be [ ] Elementary School, [ ] Middle School and [ ] High School, which are located approximately [ ] miles, [ ] miles and [ ] miles away from the Development, respectively, and which were rated [ ], [ ] and [ ], respectively, by the Florida Department of Education in [2022]. The St. Lucie County School Board may change school boundaries from time to time and there is no requirement that students residing in the Development be permitted to attend the schools which are closest to the Development.

## **Competition**

The following communities have been identified by the Landowner as being competitive with the Development because of their proximity to the Development, price ranges and product types, and amenities: Verano, Tradition, [Bent Creek], [Copper Creek], and Meadowood. The foregoing does not purport to summarize all of the existing or planned communities in the area of the Development.

## **Landowner Agreements**

The [Assessment Area Three Landowner / Development Manager] and the Assessment Area Five Landowner will enter into completion agreements that will obligate such entities to complete any portions of the respective 2023 Projects not funded with proceeds of the related Series of Series 2023 Bonds. See "BONDOWNERS' RISKS – Insufficient Resources or Other Factors Causing Failure to Complete Development" herein.

In addition, the [Assessment Area Three Landowner / Development Manager] and the Assessment Area Five Landowner will each execute and deliver to the District a Collateral Assignment and Assumption of Development Rights with respect to the related Series of Series 2023 Bonds (the "Collateral Assignments"), pursuant to which they will collaterally assign to the District, to the extent assignable and to the extent that they are solely owned or controlled by the [Assessment Area Three Landowner / Development Manager] and the Assessment Area Five Landowner, as applicable, development rights relating to the related 2023 Project. That said, the Assessment Area Five Landowner has previously granted similar rights ("Prior Collateral Assignments") in connection with the issuance of the [Prior Bonds], and such rights under such Prior Collateral Assignments are superior to and may take priority over the rights granted under the Collateral Assignments. In addition, any mortgagees or builders may have certain development rights and other rights assigned to it under the terms of their mortgage or builder contract relating to the Development, which may be superior to such rights that might otherwise be assigned to the District under the terms of the Collateral Assignments. Notwithstanding such Collateral Assignments, in the event the District forecloses on the lands subject to the 2023 Special Assessments as a result of a Landowner's or subsequent landowners' failure to pay such assessments, there is a risk that the District, or its designee, if any, will not have all of the permits and entitlements necessary to complete the 2023 Projects or the development of respective Assessment Areas.

The Landowners will also each enter into a True-Up Agreement in connection with their respective obligations to pay true-up payments in the event that debt levels remaining on unplatted or re-platted lands in the respective Assessment Areas increase above the maximum debt levels set forth in the Assessment Methodology. See "ASSESSMENT METHODOLOGY AND THE ALLOCATION OF ASSESSMENTS" herein for additional information regarding the "true-up mechanism."

Such obligations of the Landowners [and the Assessment Area Three Development Manager] are unsecured obligations. The Assessment Area Five Landowner is a special-purpose entity whose assets

consist of its interests in the District Lands. See "THE LANDOWNERS" herein for more information regarding the Landowners [and the Assessment Area Three Development Manager].

## **THE LANDOWNERS**

### **Assessment Area Three Landowner**

[AG EHC II (LEN) Multi State 1, LLC, a Delaware limited liability company (the "Assessment Area Three Landowner") is the sole landowner within Assessment Area Three. The Assessment Area Three Landowner is a Delaware limited liability company that was organized on July 1, 2021. [The Assessment Area Three Landowner is a special-purpose entity whose primary assets are various properties subject to option agreements. The Assessment Area Three Landowner is wholly owned by \_\_\_\_\_]. [Disclosure to come]

### **Assessment Area Three Development Manager**

The Assessment Area Three Landowner has entered into the Assessment Area Three Construction Agreement and the Assessment Area Three Option Agreement with Lennar Homes, LLC, a Florida limited liability company (the "Assessment Area Three Development Manager" or "Lennar Homes") pursuant to which the Assessment Area Three Development Manager will manage the installation of the infrastructure improvements for Assessment Area Three and have the option to purchase all of the developed lots in Assessment Area Three.

Lennar Homes was formed on November 30, 2006 and is wholly owned by Lennar Corporation ("Lennar Corp."). Lennar Corp. stock trades on the New York Stock Exchange under the symbol LEN. Lennar Corp. is subject to the informational requirements of the Securities and Exchange Commission Act of 1934, as amended, and in accordance therewith files reports, proxy statements, and other information with the Securities and Exchange Commission (the "SEC"). The file number for Lennar Corp. is No-1-11749. Such reports, proxy statements, and other information are available at the SEC's internet website at <http://www.sec.gov>. All documents subsequently filed by Lennar Corp. pursuant to the requirements of the Securities and Exchange Commission Act of 1934 after the date of this Limited Offering Memorandum will be available for inspection in the same manner as described above.

### **Assessment Area Five Landowner**

Veranda St. Lucie Land Holdings, LLC, a Delaware limited liability company (the "Assessment Area Five Landowner") is the landowner and developer for Assessment Area Five. The Landowner was formed in 2014 for purposes of acquiring the Development.

The Landowner's sole member is Veranda St. Lucie Investors, LLC, a Delaware limited liability company ("Investors"), the members of which are GP Veranda, LLC, a Florida limited liability company ("GP Veranda"), and Veranda Recovery Acquisition, LLC, a Delaware limited liability company ("Veranda Recovery"). GP Veranda is affiliated with GreenPointe Holdings, LLC, a Florida limited liability company ("GreenPointe"), based in Jacksonville, Florida, and Veranda Recovery is a private investment fund. GP Veranda serves as the manager of Investors.

GreenPointe is engaged in various business activities including community development, homebuilding, lifestyle and amenities management, equity and debt financing, and infrastructure development. The team's collective experience includes raising and investing nearly \$1 billion to purchase and/or develop over 100,000 acres of land, and permit/develop 100,000 home sites. GreenPointe was founded by Edward E. Burr in 2008, who serves as President and Chief Executive Officer of GreenPointe.

Prior to leading GreenPointe, Burr founded LandMar Group, LLC ("LandMar") in 1987 and led the company's creation of master-planned, award-winning communities in Florida and coastal Georgia. Under his leadership, LandMar acquired, designed, entitled and developed more than 30 master-planned communities and developments. Currently, GreenPointe, through its affiliated entities, has under development and/or management 13 communities in 11 counties across the State of Florida, accounting for approximately 12,000 homesites, and ancillary commercial uses.

*Neither the Landowners nor any of the other entities listed above are guaranteeing payment of the Series 2023 Bonds or the 2023 Special Assessments. None of the entities listed herein, other than the Landowners [and the Assessment Area Three Development Manager], as applicable, has entered into any agreements in connection with the issuance of the Series 2023 Bonds.*

## **TAX MATTERS**

### **General**

The Internal Revenue Code of 1986, as amended (the "Code") establishes certain requirements which must be met subsequent to the issuance and delivery of the Series 2023 Bonds for interest thereon to be and remain excluded from gross income for federal income tax purposes. Noncompliance with such requirements could cause the interest on the Series 2023 Bonds to be included in gross income for federal income tax purposes retroactive to the date of issue of the Series 2023 Bonds. The District has covenanted in the Indenture to comply with each such requirement.

In the opinion of Akerman LLP, Bond Counsel, the proposed form of which is included as APPENDIX B hereto, assuming continuing compliance with certain covenants by the District and the accuracy of certain representations of the District, under existing statutes, regulations, published rulings, and judicial decisions, interest on the Series 2023 Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax; however, such interest is taken into account in determining the "adjusted financial statement income" (as defined in Section 56A of the Code) of "applicable corporations" (as defined in Section 59 of the Code) for the purposes of computing the alternative minimum tax imposed on such corporations for tax years beginning after December 31, 2022.

The opinion on federal tax matters will be based on and will assume the accuracy of certain representations and certifications and compliance with certain covenants of the District to be contained in the transcript of proceedings and that are intended to evidence and assure the foregoing, including that the Series 2023 Bonds are and will remain obligations the interest on which is excluded from gross income for federal income tax purposes. Bond Counsel will not independently verify the accuracy of these certifications and representations.

Bond Counsel's opinions are based on existing law, which is subject to change. Moreover, Bond Counsel's opinions are not a guarantee of a particular result, and are not binding on the Internal Revenue Service ("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.

The IRS has established an on-going program to audit tax-exempt obligations to determine whether interest on such obligations is includible in gross income for federal income tax purposes. Bond Counsel cannot predict whether the IRS will commence an audit of the Series 2023 Bonds. Owners of the Series 2023 Bonds are advised that, if the IRS does audit the Series 2023 Bonds, under current IRS procedures, at least during the early stages of an audit, the IRS will treat the District as the taxpayer, and the owners of

the Series 2023 Bonds may have limited rights to participate in such procedure. The commencement of an audit could adversely affect the market value and liquidity of the Series 2023 Bonds until the audit is concluded, regardless of the ultimate outcome.

### **Collateral Tax Consequences**

Prospective purchasers of the Series 2023 Bonds should be aware that ownership of, accrual or receipt of interest on or disposition of tax-exempt obligations, such as the Series 2023 Bonds, may have additional federal income tax consequences for certain taxpayers, including, without limitation, recipients of certain Social Security and certain Railroad Retirement benefits, taxpayers that may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, and certain S corporations.

Bond Counsel expresses no opinion regarding any federal tax consequences other than its opinion with regard to the exclusion of interest on the Series 2023 Bonds from gross income pursuant to Section 103 of the Code and the treatment of interest for purposes of the federal alternative minimum tax. Prospective purchasers of the Series 2023 Bonds should consult their tax advisors with respect to all other tax consequences (including, but not limited to, those listed above) of holding the Series 2023 Bonds. Prospective purchasers of the Series 2023 Bonds may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

### **Other Tax Matters**

In the opinion of Bond Counsel, interest on the Series 2023 Bonds is exempt from taxation under the existing laws of the State of Florida, except as to estate taxes and taxes imposed under Chapter 220, *Florida Statutes*, on interest, income or profits on debt obligations owned by corporations, as defined in said Chapter 220, *Florida Statutes*.

Interest on the Series 2023 Bonds may be subject to state or local income taxation under applicable state or local laws in other jurisdictions. Purchasers of the Series 2023 Bonds should consult their tax advisors as to the income tax status of interest on the Series 2023 Bonds, in their particular state or local jurisdictions.

During recent years, legislative proposals have been introduced in Congress, and in some cases enacted, that altered certain federal tax consequences resulting from the ownership of obligations that are similar to the Series 2023 Bonds. In some cases these proposals have contained provisions that altered these consequences on a retroactive basis. Such alteration of federal tax consequences may have affected the market value of obligations similar in nature to the Series 2023 Bonds. From time to time, legislative proposals may be introduced which could have an effect on both the federal tax consequences resulting from the ownership of the Series 2023 Bonds and their market value. No assurance can be given that any such legislative proposals, if enacted, would not apply to, or would not have an adverse effect upon, the Series 2023 Bonds. Prospective purchasers of the Series 2023 Bonds should consult their tax advisors as to the impact of any pending or proposed legislation. Bond Counsel has not undertaken to advise in the future whether any events after the date of issuance of the Series 2023 Bonds may affect the tax status of interest on the Series 2023 Bonds.

### **Original Issue Discount**

Under the Code, the difference between the maturity amount of the Series 2023 Bonds maturing on \_\_\_\_\_ (the "Discount Bonds"), and the initial offering price to the public, excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers, at which price a substantial amount of the Discount Bonds of the same maturity and if applicable, interest rate, was

sold is "original issue discount." For federal income tax purposes, original issue discount will accrue over the term of the Discount Bonds at a constant interest rate compounded on each interest payment date (or over a shorter permitted compounding interval selected by the Owner). A purchaser who acquires the Discount Bonds in the initial offering at a price equal to the initial offering price thereof to the public will be treated as receiving an amount of interest excludable from gross income for federal income tax purposes equal to the original issue discount accruing during the period he or she holds the Discount Bonds subject to the same considerations discussed above and will increase his or her adjusted basis in the Discount Bonds by the amount of such accruing discount for purposes of determining taxable gain or loss on the sale or disposition of the Discount Bonds. The federal income tax consequences of the purchase, ownership and redemption, sale or other disposition of the Discount Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those above. Bondholders of the Discount Bonds should consult their own tax advisors with respect to the precise determination for federal income tax purposes of interest accrued upon sale, redemption or other disposition of the Discount Bonds and with respect to the state and local tax consequences of owning and disposing of the Discount Bonds.

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

Interest paid on tax-exempt bonds such as the Series 2023 Bonds is subject to information reporting to the Internal Revenue Service. Interest paid on tax-exempt bonds such as the Series 2023 Bonds is subject to information reporting to the Internal Revenue Service in a manner similar to interest paid on taxable obligations. This reporting requirement does not affect the excludability of interest on the Series 2023 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 2023 Bonds, under certain circumstances, to "backup withholding" at the rate specified in the Code with respect to payments on the Series 2023 Bonds and proceeds from the sale of Series 2023 Bonds. Any amount so withheld would be refunded or allowed as a credit against the federal income tax of such owner of Series 2023 Bonds. This withholding generally applies if the owner of Series 2023 Bonds (i) fails to furnish the payor such owner's social security number or other taxpayer identification number ("TIN"), (ii) furnished the payor an incorrect TIN, (iii) fails to properly report interest, dividends, or other "reportable payments" as defined in the Code, or (iv) under certain circumstances, fails to provide the payor or such owner's securities broker with a certified statement, signed under penalty of perjury, that the TIN provided is correct and that such owner is not subject to backup withholding. Prospective purchasers of the Series 2023 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.

### **AGREEMENT BY THE STATE**

Under the Act, the State of Florida pledges to the holders of any bonds issued thereunder, including the Series 2023 Bonds, that it will not limit or alter the rights of the District to own, acquire, construct, reconstruct, improve, maintain, operate or furnish the projects subject to the Act or to levy and collect taxes, assessments, rentals, rates, fees, and other charges provided for in the Act and to fulfill the terms of any agreement made with the holders of such bonds and that it will not in any way impair the rights or remedies of such holders.

### **LEGALITY FOR INVESTMENT**

The Act provides that the Series 2023 Bonds issued by community development districts are legal investments for savings banks, banks, trust companies, insurance companies, executors, administrators, trustees, guardians, and other fiduciaries, and for any board, body, agency, instrumentality, county, municipality or other political subdivision of the State, and constitute securities that may be deposited by

banks or trust companies as security for deposits of state, county, municipal or other public funds, or by insurance companies as required or voluntary statutory deposits.

### **SUITABILITY FOR INVESTMENT**

In accordance with applicable provisions of Florida law, the Series 2023 Bonds may initially be sold by the District only to "accredited investors" within the meaning of Chapter 517, Florida Statutes and the rules promulgated thereunder. The limitation of the initial offering to accredited investors does not denote restrictions on transfers in any secondary market for the Series 2023 Bonds. Investment in the Series 2023 Bonds poses certain economic risks. No dealer, broker, salesperson or other person has been authorized by the District or the Underwriter to give any information or make any representations, other than those contained in this Limited Offering Memorandum, and, if given or made, such other information or representations must not be relied upon as having been authorized by either of the foregoing.

### **ENFORCEABILITY OF REMEDIES**

The remedies available to the Owners of the Series 2023 Bonds upon an event of default under the Indentures 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 Indentures and the Series 2023 Bonds may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2023 Bonds will be qualified as to the enforceability of the remedies provided in the various legal instruments, by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors enacted before or after such delivery.

### **LITIGATION**

#### **The District**

There is no litigation of any nature now pending or, to the knowledge of the District threatened, seeking to restrain or enjoin the issuance, sale, execution or delivery of the Series 2023 Bonds, or in any way contesting or affecting (i) the validity of the Series 2023 Bonds or any proceedings of the District taken with respect to the issuance or sale thereof, (ii) the pledge or application of any moneys or security provided for the payment of the Series 2023 Bonds, (iii) the existence or powers of the District or (iv) the validity of the Assessment Proceedings.

#### **The Landowners**

Each of the Landowners and the Assessment Area Three Development Manager has represented that there is no litigation of any nature now pending or, to its knowledge, threatened, which could reasonably be expected to have a material and adverse effect upon its ability to complete the 2023 Projects or the development of the lands in the respective Assessment Areas as described herein, materially and adversely affect the ability of such entity to pay the 2023 Special Assessments imposed against the land within the District owned by such entity or materially and adversely affect the ability of such entity to perform its various obligations described in this Limited Offering Memorandum.

### **CONTINGENT FEES**

The District has retained Bond Counsel, District Counsel, the Consulting Engineer, the District Manager/Methodology Consultant, the Underwriter (who has retained Underwriter's Counsel) and the Trustee (which has retained Trustee's counsel), with respect to the authorization, sale, execution and

delivery of the Series 2023 Bonds. Except for the payment of certain fees to District Counsel, the Consulting Engineer and the District Manager, the payment of fees of the other professionals is each contingent upon the issuance of the Series 2023 Bonds.

### **NO RATING**

No application for a rating for the Series 2023 Bonds has been made to any rating agency, nor is there any reason to believe that an investment grade rating for the Series 2023 Bonds would have been obtained if application had been made.

### **EXPERTS**

The Engineer's Report attached as APPENDIX C to this Limited Offering Memorandum has been prepared by Culpepper and Terpening, Inc., Ft. Pierce, Florida, the Consulting Engineer. APPENDIX C should be read in its entirety for complete information with respect to the subjects discussed therein. Rizzetta & Company, Incorporated, Tampa, Florida, as Methodology Consultant, has prepared the Assessment Methodology set forth as APPENDIX D attached hereto. APPENDIX D should be read in its entirety for complete information with respect to the subjects discussed therein. As a condition to closing on the Series 2023 Bonds, both the Consulting Engineer and the Methodology Consultant will consent to the inclusion of their reports in this Limited Offering Memorandum.

### **FINANCIAL INFORMATION**

This District will covenant in the Continuing Disclosure Agreement, the proposed form of which is set forth in APPENDIX F hereto, to provide its annual audited financial statements to certain information repositories as described in APPENDIX F, commencing with the audit for the District fiscal year ending September 30, 2023. Attached hereto as APPENDIX E is a copy of the District's audited financial statements for the District's fiscal year ended September 30, 2022, as well as the District's unaudited monthly financial statements for the period ended [\_\_\_\_], 2023. Such financial statements, including the auditor's report included within the audited financial statements, have been included in this Limited Offering Memorandum as public documents and consent from the auditor was not requested. Further, the auditors have not performed any services related to, and therefore are not associated with, the preparation of this Limited Offering Memorandum. The Assessment Area Three Bonds and the Assessment Area Five – Phase 2 Bonds are not general obligation bonds of the District and are payable solely from the Assessment Area Three Pledged Revenues and the Assessment Area Five – Phase 2 Pledged Revenues, respectively.

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

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

Section 517.051, Florida Statutes, and the regulations promulgated thereunder requires that the District make a full and fair disclosure of any bonds or other debt obligations that it has issued or guaranteed and that are or have been in default as to principal or interest at any time after December 31, 1975 (including bonds or other debt obligations for which it has served only as a conduit issuer such as industrial development or private activity bonds issued on behalf of private business). The District has not previously issued any bonds or other debt obligations.



## **CONTINUING DISCLOSURE**

The District and the Landowners will enter into the Continuing Disclosure Agreement (the "Disclosure Agreement") in the proposed form of APPENDIX F, for the benefit of the Series 2023 Bondholders (including owners of beneficial interests in such Series 2023 Bonds), to provide certain financial information and operating data relating to the District and the Assessment Areas by certain dates prescribed in the Disclosure Agreement (the "Reports") with the MSRB through the MSRB's EMMA system. The specific nature of the information to be contained in the Reports is set forth in "APPENDIX F: PROPOSED FORM OF CONTINUING DISCLOSURE AGREEMENT." Under certain circumstances, the failure of the District or the Landowners to comply with their respective obligations under the Disclosure Agreement constitutes an event of default thereunder. Such a default will not constitute an event of default under the related Indentures, but such event of default under the Disclosure Agreement would allow the Bondholders of such Series of Series 2023 Bonds (including owners of beneficial interests in such Series 2023 Bonds) to bring an action for specific performance.

The District has previously entered into a continuing disclosure undertaking pursuant to Rule 15c2-12, promulgated under the Securities Exchange Act of 1934, as amended (the "Rule"), with respect to its Prior Bonds. [Review to come.] The District will appoint the District Manager as the dissemination agent in the Disclosure Agreement. The District anticipates satisfying all future disclosure obligations required pursuant to its continuing disclosure undertakings and the Rule.

[Assessment Area Three Landowner to come.]

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

## **UNDERWRITING**

FMSbonds, Inc. (the "Underwriter") has agreed, pursuant to a contract with the District, subject to certain conditions, to purchase from the District: (i) the Assessment Area Three Bonds at a purchase price of \$ \_\_\_\_\_ (par amount of the Assessment Area Three Bonds, less an original issue discount of \$ \_\_\_\_\_ and an Underwriter's discount of \$ \_\_\_\_\_) and (ii) the Assessment Area Five – Phase 2 Bonds at a purchase price of \$ \_\_\_\_\_ (par amount of the Assessment Area Five – Phase 2 Bonds, less an original issue discount of \$ \_\_\_\_\_ and an Underwriter's discount of \$ \_\_\_\_\_). The Underwriter's obligations are subject to certain conditions precedent and the Underwriter will be obligated to purchase all of a Series of Series 2023 Bonds if any Series 2023 Bonds of such Series are purchased.

The Underwriter intends to offer the Series 2023 Bonds to accredited investors at the offering prices set forth on the cover page of this Limited Offering Memorandum, which may subsequently change without prior notice. The Series 2023 Bonds may be offered and sold to certain dealers, banks and others at prices lower than the initial offering prices, and such initial offering prices may be changed from time to time by the Underwriter.

## **VALIDATION**

Bonds issued pursuant to the terms of the Master Indenture have been validated by a judgment of the Circuit Court of the Nineteenth Judicial Circuit Court of Florida in and for St. Lucie County, Florida,

rendered on September 17, 2018. The period of time during which an appeal can be taken from such judgment has expired without an appeal having been taken.

### **LEGAL MATTERS**

Certain legal matters related to the authorization, sale and delivery of the Series 2023 Bonds are subject to the approval of Akerman LLP, Jacksonville, Florida, Bond Counsel. Certain legal matters will be passed upon for the Underwriter by its counsel, GrayRobinson, P.A. Tampa, Florida. GrayRobinson, P.A., also represents Taylor Morrison in matters related to the Assessment Area Three Contract. Certain legal matters will be passed upon for the District by its counsel, Kutak Rock LLP, Tallahassee, Florida. Certain legal matters will be passed upon for the Assessment Area Three Landowner by its counsel, Lewis, Longman & Walker, P.A., West Palm Beach, Florida, for the Assessment Area Three Development Manager by its counsel, Holland & Knight, LLP, Fort Lauderdale, Florida, and for the Assessment Area Five Landowner by its counsel, Mahoney Law Group, P.A., Clearwater, Florida.

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

### **MISCELLANEOUS**

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

The references herein to the Series 2023 Bonds and other documents referred to herein are brief summaries of certain provisions thereof. Such summaries do not purport to be complete and reference is made to such documents for full and complete statements of such provisions.

This Limited Offering Memorandum is submitted in connection with the limited offering of the Series 2023 Bonds and may not be reproduced or used, as a whole or in part, for any other purpose. This Limited Offering Memorandum is not to be construed as a contract with the purchaser or the Beneficial Owners of any of the Series 2023 Bonds.

[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 the District.

### **VERANDA COMMUNITY DEVELOPMENT DISTRICT II**

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

## **APPENDIX A**

### **COPY OF MASTER INDENTURE AND PROPOSED FORMS OF SUPPLEMENTAL INDENTURES**

## **APPENDIX B**

### **PROPOSED FORM OF OPINION OF BOND COUNSEL**

**APPENDIX C**  
**ENGINEER'S REPORT**

**APPENDIX D**  
**ASSESSMENT METHODOLOGY**

**APPENDIX E**  
**DISTRICT'S FINANCIAL STATEMENTS**



## **APPENDIX F**

### **PROPOSED FORM OF CONTINUING DISCLOSURE AGREEMENT**

# **Exhibit D**

## **CONTINUING DISCLOSURE AGREEMENT**

This Continuing Disclosure Agreement (this "Disclosure Agreement") dated as of [\_\_\_\_], 2023 is executed and delivered by the Veranda Community Development District II (the "Issuer" or the "District"), AG EHC II (LEN) Multi State 1, LLC (the "Assessment Area Three Landowner"), Veranda St. Lucie Land Holdings, LLC, a Delaware limited liability company (the "Assessment Area Five Landowner" and, together with the Assessment Area Three Landowner, the "Landowners"), and Rizzetta & Company, Incorporated, a Florida corporation, as dissemination agent (the "Dissemination Agent") in connection with the Issuer's Special Assessment Revenue and Refunding Bonds, Series 2023 (Assessment Area Three – Preserve East Project) (the "Assessment Area Three Bonds") and Special Assessment Revenue and Refunding Bonds, Series 2023 (Assessment Area Five – Phase 2 – Veranda Estates Project) (the "Assessment Area Five – Phase 2 Bonds" and, together with the Assessment Area Three Bonds, the "Bonds"). The Bonds are secured pursuant to a Master Trust Indenture dated as of December 1, 2018 (the "Master Indenture"), as amended and supplemented with respect to the Assessment Area Three Bonds by a Sixth Supplemental Trust Indenture dated as of [November] 1, 2023 (the "Sixth Supplemental Indenture" and, together with the Master Indenture, the "Assessment Area Three Indenture"), and with respect to the Assessment Area Five – Phase 2 Bonds by a Seventh Supplemental Trust Indenture dated as of [November] 1, 2023 (the "Seventh Supplemental Indenture" and, together with the Master Indenture, the "Assessment Area Five – Phase 2 Indenture") (the Assessment Area Three Indenture and the Assessment Area Five – Phase 2 Indenture collectively referred to herein as the "Indenture"), each entered into by and between the Issuer and U.S. Bank Trust Company, National Association, a national banking association duly organized and existing under the laws of the United States of America and having a designated corporate trust office in Orlando, Florida, as successor trustee (the "Trustee"). The Issuer, the Landowners and the Dissemination Agent covenant and agree as follows:

1. **Purpose of this Disclosure Agreement.** This Disclosure Agreement is being executed and delivered by the Issuer, the Landowners and the Dissemination Agent for the benefit of the Beneficial Owners (as defined herein) of the Bonds and to assist the Participating Underwriter (as defined herein) of the Bonds in complying with the Rule (as defined herein). The Issuer has no reason to believe that this Disclosure Agreement does not satisfy the requirements of the Rule and the execution and delivery of this Disclosure Agreement is intended to comply with the Rule. To the extent it is later determined by a court of competent jurisdiction, a governmental regulatory agency, or an attorney specializing in federal securities law, that the Rule requires the Issuer or other Obligated Person (as defined herein) to provide additional information, the Issuer and each Obligated Person agree to promptly provide such additional information.

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

2. **Definitions.** Capitalized terms not otherwise defined in this Disclosure Agreement shall have the meaning assigned in the Rule or, to the extent not in conflict with the Rule, in the

Indenture. The following capitalized terms as used in this Disclosure Agreement shall have the following meanings:

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

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

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

"Assessment Area" shall mean, (i) with respect to the Assessment Area Three Bonds, that portion of the District lands subject to the Assessment Area Three Special Assessments, being more particularly described in the Limited Offering Memorandum as "Assessment Area Three," and (ii) with respect to the Assessment Area Five – Phase 2 Bonds, that portion of the District lands subject to the Assessment Area Five – Phase 2 Special Assessments, being more particularly described in the Limited Offering Memorandum as "Assessment Area Five – Phase 2."

"Assessments" shall mean (i) with respect to the Assessment Area Three Bonds, the non-ad valorem Assessment Area Three Special Assessments pledged to the payment of the Assessment Area Three Bonds pursuant to the Assessment Area Three Indenture and (ii) with respect to the Assessment Area Five – Phase 2 Bonds, the non-ad valorem Assessment Area Five – Phase 2 Special Assessments pledged to the payment of the Assessment Area Five – Phase 2 Bonds pursuant to the Assessment Area Five – Phase 2 Indenture.

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

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

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

"Bond Year" means the annual period beginning on the second day of November of each year and ending on the first day of November of the following year.

"Business Day" means any day other than (a) a Saturday, Sunday or a day on which banks located in the city in which the designated corporate trust office of the Trustee is located are required or authorized by law or executive order to close for business, and (b) a day on which the New York Stock Exchange is closed.

"Disclosure Representative" shall mean (i) as to the Issuer, the District Manager or its designee, or such other person as the Issuer shall designate in writing to the Dissemination Agent from time to time as the person responsible for providing information to the Dissemination Agent; and (ii) as to each entity comprising an Obligated Person (other than the Issuer), the individuals executing this Disclosure Agreement on behalf of such entity or such person(s) as such entity shall designate in writing to the Dissemination Agent from time to time as the person(s) responsible for providing information to the Dissemination Agent.

"Dissemination Agent" shall mean the Issuer or an entity appointed by the Issuer to act in the capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the Issuer pursuant to Section 8 hereof. Rizzetta & Company, Incorporated has been designated as the initial Dissemination Agent hereunder.

"District Manager" shall mean Rizzetta & Company, Incorporated, and its successors and assigns.

"EMMA" means the Electronic Municipal Market Access system for municipal securities disclosures located at <http://emma.msrb.org/>.

"EMMA Compliant Format" shall mean a format for any document provided to the MSRB (as hereinafter defined) which is in an electronic format and is accompanied by identifying information, all as prescribed by the MSRB.

"Financial Obligation" means a (a) debt obligation, (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (c) guarantee of an obligation or instrument described in either clause (a) or (b). Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"Fiscal Year" shall mean the period commencing on October 1 and ending on September 30 of the next succeeding year, or such other period of time provided by applicable law.

"Limited Offering Memorandum" shall mean that Limited Offering Memorandum dated [\_\_\_\_], 2023, prepared in connection with the issuance of the Bonds.

"Listed Events" shall mean any of the events listed in Section 6(a) of this Disclosure Agreement.

"MSRB" means the Municipal Securities Rulemaking Board.

"Obligated Person(s)" shall mean, with respect to the Bonds, those person(s) who either generally or through an enterprise fund or account of such persons are committed by contract or other arrangement to support payment of all or a part of the obligations on such Bonds (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities), which person(s) shall include the Issuer, and for the purposes of this Disclosure Agreement, each of the Landowners for so long as such Landowner or its affiliates, successors or assigns (excluding residential homebuyers who are end users) are the owners of District Lands responsible for payment of at least 20% of the Assessments related to a Series of Bonds.

"Participating Underwriter" shall mean FMSbonds, Inc.

"Quarterly Filing Date" shall mean for the quarter ending: (i) March 31, each May 1; (ii) June 30, each August 1; (iii) September 30, each November 1; and (iv) December 31, each February 1 of the following year. The first Quarterly Filing Date shall be [\_\_\_\_\_ 1, 2024].

"Quarterly Report" shall mean any Quarterly Report provided by any Obligated Person (other than the Issuer) pursuant to, and as described in, Section 5 of this Disclosure Agreement.

"Repository" shall mean each entity authorized and approved by the SEC (as hereinafter defined) from time to time to act as a repository for purposes of complying with the Rule. The Repositories approved by the SEC may be found by visiting the SEC's website at <http://www.sec.gov/info/municipal/nrmsir.htm>. As of the date hereof, the Repository recognized by the SEC for such purpose is the MSRB, which currently accepts continuing disclosure submissions through its EMMA web portal. As used herein, "Repository" shall include the State Repository, if any.

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

"SEC" means the Securities and Exchange Commission.

"State" shall mean the State of Florida.

"State Repository" shall mean any public or private repository or entity designated by the State as a state repository for the purposes of the Rule.

### 3. **Provision of Annual Reports.**

(a) Subject to the following sentence, the Issuer shall provide the Annual Report to the Dissemination Agent no later than March 31st following the close of the Issuer's Fiscal Year (the "Annual Filing Date"), commencing with the Annual Report for the Fiscal Year ending September 30, 2024 which shall be due no later than March 31, 2025. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Agreement; *provided that* the Audited Financial Statements of the Issuer may be submitted separately from the balance of the Annual Report, and may be submitted in accordance with State law, which currently requires such Audited Financial Statements to be provided up to, but no later than, nine (9) months after the close of the Issuer's Fiscal Year (the "Audited Financial Statements Filing Date"). The Issuer shall file its Audited Financial Statements for the Fiscal Year ended September 30, 2023 on or before June 30, 2024. The Issuer shall, or shall cause the Dissemination Agent to, provide to the Repository the components of an Annual Report which satisfies the requirements of Section 4(a) of this Disclosure Agreement within thirty (30) days after same becomes available, but in no event later than the Annual Filing Date or Audited Financial Statements Filing Date, if applicable. If the Issuer's Fiscal Year changes, the Issuer shall give notice of such change in the same manner as for a Listed Event under Section 6.

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

(c) If the Dissemination Agent has not received an Annual Report by 12:00 noon on the first (1<sup>st</sup>) Business Day following the Annual Filing Date for the Annual Report or the Audited Financial Statements by 12:00 noon on the first (1<sup>st</sup>) Business Day following the Audited Financial Statements Filing Date for the Audited Financial Statements, then a Listed Event as described in Section 6(a)(xvii) shall have occurred and the Dissemination Agent shall immediately send a notice to the Repository in substantially the form attached as Exhibit A.

(d) The Dissemination Agent shall:

(i) determine each year prior to the Annual Filing Date the name, address and filing requirements of the Repository; and

(ii) promptly upon fulfilling its obligations under subsection (a) above, file a notice with the Issuer stating that the Annual Report or Audited Financial Statements has been provided pursuant to this Disclosure Agreement, stating the date(s) it was provided and listing all Repositories with which it was filed.

(e) All documents, reports, notices, statements, information and other materials provided to the MSRB under this Disclosure Agreement shall be provided in an EMMA Compliant Format.

#### **4. Content of Annual Reports.**

(a) Each Annual Report shall be in the form set in Schedule A attached hereto and shall contain the following Annual Financial Information with respect to the Issuer for each Series of Bonds:

(i) All fund balances in all Funds, Accounts and subaccounts for the Bonds and the total amount of Bonds Outstanding, in each case as of December 31st following the end of the most recent prior Fiscal Year.

(ii) The method by which Assessments are being levied (whether on-roll or off-roll) and the amounts being levied by each method in the Assessment Area for the

current Fiscal Year, and a copy of the assessment roll (on roll and off roll) for the Assessments certified for collection in the Assessment Area for the current Fiscal Year.

(iii) The method by which Assessments were levied (whether on-roll or off-roll) and the amounts levied by each method in the Assessment Area for the most recent prior Fiscal Year.

(iv) The amount of Assessments collected in the Assessment Area from the property owners during the most recent prior Fiscal Year.

(v) If available, the amount of delinquencies in the Assessment Area greater than one hundred fifty (150) days, and, in the event that delinquencies amount to more than ten percent (10%) of the amounts of the Assessments due in any year, a list of delinquent property owners.

(vi) If available, the amount of tax certificates sold for lands within the Assessment Area, if any, and the balance, if any, remaining for sale from the most recent Fiscal Year.

(vii) The amount of principal and interest to be paid on the Bonds in the current Fiscal Year.

(viii) The most recent Audited Financial Statements of the Issuer.

(ix) In the event of any amendment or waiver of a provision of this Disclosure Agreement, a description of such amendment or waiver in the next Annual Report, and in each case shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change in accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements: (i) notice of such change shall be given in the same manner as for a Listed Event under Section 6(b); and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

To the extent any of the items set forth in subsections (i) through (vii) above are included in the Audited Financial Statements referred to in subsection (viii) above, they do not have to be separately set forth (unless Audited Financial Statements are being delivered later than March 31st after the close of the Issuer's Fiscal Year pursuant to Section 3(a) hereof). Any or all of the items listed above may be incorporated by reference from other documents, including limited offering memorandums and official statements of debt issues of the Issuer or related public entities, which have been submitted to the MSRB or the SEC. If the document incorporated by reference is a final limited offering memorandum or official statement, it must be available from the MSRB. The Issuer shall clearly identify each such other document so incorporated by reference.



(b) Any Annual Financial Information containing modified operating data or financial information is required to explain, in narrative form, the reasons for the modification and the impact of the change in the type of operating data or financial information being provided.

5. **Quarterly Reports.**

(a) Each Obligated Person (other than the Issuer), or the Landowners on behalf of any other Obligated Person within an Assessment Area that fails to execute an Assignment (as hereinafter defined), shall provide an electronic copy of the Quarterly Report to the Dissemination Agent no later than five (5) days prior to the Quarterly Filing Date. Promptly upon receipt of an electronic copy of the Quarterly Report, but in any event no later than the applicable Quarterly Filing Date, the Dissemination Agent shall provide a Quarterly Report to the Repository.

(b) Each Quarterly Report shall contain an update of the following information to the extent available with respect to the related Assessment Area only:

(i) The number of lots planned.

Lot Ownership Information

(ii) The number of lots owned by such Landowner.

(iii) The number of lots owned by homebuilders.

(iv) The number of lots owned by homebuyers.

Lot Status Information

(v) The number of lots developed.

(vi) The number of lots platted.

Home Sales Status Information

(vii) The number of homes sold (but not closed) with homebuyers, during quarter.

(viii) The number of homes sold (and closed) with homebuyers, during quarter.

(ix) The total number of homes sold and closed with homebuyers (cumulative).

Material Changes/Transfers

(x) Material changes to any of the following: (1) builder contracts, if applicable, (2) the number of lots planned to be developed, (3) permits/approvals, and (4) existing mortgage debt of the Obligated Person or the incurrence of new mortgage debt by the Obligated Person since the date hereof.

(xi) Any sale, assignment or transfer of ownership of lands by the Obligated Person to a third party which will in turn become an Obligated Person hereunder.

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

#### 6. **Reporting of Listed Events.**

(a) This Section 6 shall govern the giving of notices of the occurrence of any of the following Listed Events with respect to each Series of Bonds:

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults, if material;
- (iii) Unscheduled draws on the related Series Debt Service Reserve Account reflecting financial difficulties;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;\*
- (v) Substitution of credit or liquidity providers, or their failure to perform;\*
- (vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (vii) Modifications to rights of Bond holders, if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) Defeasances;

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\* Not applicable to the Bonds at their date of issuance.

(x) Release, substitution, or sale of property securing repayment of the Bonds, if material;

(xi) Rating changes;\*

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

(xiii) Consummation of a merger, consolidation, or acquisition involving the Issuer or any Obligated Person or the sale of all or substantially all of the assets of the Issuer or any Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(xiv) Appointment of a successor or additional Trustee or the change of name of the Trustee, if material;

(xv) Incurrence of a Financial Obligation of the Issuer or Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer or Obligated Person, any of which affect security holders, if material;

(xvi) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the Financial Obligation of the Issuer or Obligated Person, any of which reflect financial difficulties;

(xvii) Failure to provide (A) any Annual Report or Audited Financial Statements as required under this Disclosure Agreement that contains, in all material respects, the information required to be included therein under Section 4(a) of this Disclosure Agreement, or (B) any Quarterly Report that contains, in all material respects, the information required to be included therein under Section 5(b) of this Disclosure Agreement, which failure shall, in all cases, be deemed material under federal securities laws; and

(xviii) Any amendment to the accounting principles to be followed in preparing financial statements as required pursuant to Section 4(a)(ix) hereof.

(b) The Issuer shall give, or cause to be given, notice of the occurrence of any of the above subsection (a) Listed Events to the Dissemination Agent in writing in sufficient time in order to allow the Dissemination Agent to file notice of the occurrence of such Listed Event in

a timely manner not in excess of ten (10) Business Days after its occurrence, with the exception of the Listed Events described in Section 6(a)(xvii) and (xviii), which notice will be given in a timely manner. Such notice shall instruct the Dissemination Agent to report the occurrence pursuant to subsection (d) below. Such notice by the Issuer to the Dissemination Agent shall identify the Listed Event that has occurred, include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Dissemination Agent to disseminate the information (provided that such date is in compliance within the filing dates provided within this Section 6(b)).

(c) Notwithstanding anything contained in Section 6(b) above, each Obligated Person other than the Issuer shall notify the Issuer and the Dissemination Agent of the occurrence of a Listed Event described in subsections (a)(x), (xii), (xiii), (xv), (xvi), or (xvii) that has occurred with respect to such Obligated Person in compliance with the notification and filing requirements provided in Section 6(b).

(d) If the Dissemination Agent has been instructed by the Issuer to report the occurrence of a Listed Event, the Dissemination Agent shall immediately file a notice of such occurrence with each Repository.

7. **Termination of Disclosure Agreement.** This Disclosure Agreement shall terminate upon the defeasance, prior redemption or payment in full of all of the Bonds.

8. **Dissemination Agent.** Upon termination of the Dissemination Agent's services as Dissemination Agent, whether by notice of the Issuer or the Dissemination Agent, the Issuer agrees to appoint a successor Dissemination Agent or, alternatively, agrees to assume all responsibilities of Dissemination Agent under this Disclosure Agreement for the benefit of the Holders of the Bonds. If at any time there is not any other designated Dissemination Agent, the District shall be deemed to be the Dissemination Agent. The initial Dissemination Agent shall be Rizzetta & Company, Incorporated. The acceptance of such designation is evidenced by the execution of this Disclosure Agreement by a duly authorized signatory of Rizzetta & Company, Incorporated. Rizzetta & Company, Incorporated, may terminate its role as Dissemination Agent at any time upon delivery of sixty (60) days prior written notice to the District and each Obligated Person. The District may terminate the agreement hereunder with the Dissemination Agent at any time upon delivery of sixty (60) days prior written notice to the Dissemination Agent and each Obligated Person.

9. **Amendment; Waiver.** Notwithstanding any other provision of this Disclosure Agreement, the Issuer and the Dissemination Agent may amend this Disclosure Agreement, and any provision of this Disclosure Agreement may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws, acceptable to the Issuer, to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule.

Notwithstanding the above provisions of this Section 9, no amendment to the provisions of Section 5(b) hereof may be made without the consent of each Obligated Person, if any.

10. **Additional Information.** Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

11. **Default.** In the event of a failure of the Issuer, the Disclosure Representative, any Obligated Person or the Dissemination Agent to comply with any provision of this Disclosure Agreement, the Trustee may (and, at the request of any Participating Underwriter or the Beneficial Owners of at least twenty-five percent (25%) aggregate principal amount of Outstanding Bonds and receipt of indemnity satisfactory to the Trustee, shall), or any beneficial owner of a Bond may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer, the Disclosure Representative, any Obligated Person or a Dissemination Agent, as the case may be, to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement by any Obligated Person shall not be deemed a default by the Issuer hereunder and no default hereunder shall be deemed an Event of Default under the Indenture, and the sole remedy under this Disclosure Agreement in the event of any failure of the Issuer, the Disclosure Representative, any Obligated Person, or a Dissemination Agent, to comply with this Disclosure Agreement shall be an action to compel performance.

12. **Duties of Dissemination Agent.** The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement between the District, the Landowners and such Dissemination Agent. The Dissemination Agent shall have no obligation to notify any other party hereto of an event that may constitute a Listed Event. The District, each Obligated Person and the Disclosure Representative covenant that they will supply, in a timely fashion, any information reasonably requested by the Dissemination Agent that is necessary in order for the Dissemination Agent to carry out its duties under this Disclosure Agreement. The District, each Obligated Person and the Disclosure Representative acknowledge and agree that the information to be collected and disseminated by the Dissemination Agent will be provided by the District, Obligated Person(s), the Disclosure Representative and others. The Dissemination Agent's duties do not include authorship or production of any materials, and the Dissemination Agent shall have no responsibility hereunder for the content of the information provided to it by the District, any Obligated Person or the Disclosure Representative as thereafter disseminated by the Dissemination Agent. Any filings under this Disclosure Agreement made to the MSRB through EMMA shall be in an EMMA Compliant Format.

13. **Beneficiaries.** This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Landowners, the Dissemination Agent, the Trustee, the Participating Underwriter and the Owners of the Bonds (the Dissemination Agent, the Trustee, Participating Underwriter and Owners of the Bonds being hereby deemed express third party beneficiaries of this Disclosure Agreement), and shall create no rights in any other person or entity.

14. **Tax Roll and Budget.** Upon the request of the Dissemination Agent, the Trustee or any Bondholder, the Issuer, through its District Manager, if applicable, agrees to provide such party with a certified copy of its most recent tax roll provided to the St. Lucie County Tax Collector and the Issuer's most recent adopted budget.

15. **Governing Law.** The laws of the State of Florida and Federal law shall govern this Disclosure Agreement and venue shall be any state or federal court having jurisdiction in St. Lucie County, Florida.

16. **Counterparts.** This Disclosure Agreement may be executed in several counterparts and each of which shall be considered an original and all of which shall constitute but one and the same instrument. A scanned copy of the signatures delivered in a PDF format may be relied upon as if the original had been received.

17. **Trustee Cooperation.** The Issuer represents that the Dissemination Agent is a bona fide agent of the Issuer and the Issuer instructs the Trustee to deliver to the Dissemination Agent at the expense of the Issuer, any information or reports readily available to and in the possession of the Trustee that the Dissemination Agent requests in writing.

18. **Binding Effect.** This Disclosure Agreement shall be binding upon each party to this Disclosure Agreement and upon each successor and assignee of each party to this Disclosure Agreement and shall inure to the benefit of, and be enforceable by, each party to this Disclosure Agreement and each successor and assignee of each party to this Disclosure Agreement. Notwithstanding the foregoing, as to the Landowners or any assignee or successor thereto that becomes an Obligated Person pursuant to the terms of this Disclosure Agreement, only successors or assignees to such parties who are, by definition, Obligated Persons, shall be bound or benefited by this Disclosure Agreement.

19. **Additional Disclosure.** Rizzetta & Company, Incorporated, does not represent the Issuer as a Municipal Advisor or Securities Broker nor is Rizzetta & Company, Incorporated, registered to provide such services as described in Section 15B of the Securities and Exchange Act of 1934, as amended. Similarly, Rizzetta & Company, Incorporated, does not provide the Issuer with financial advisory services or offer investment advice in any form.

[Signature Page Follows]

**IN WITNESS WHEREOF**, the undersigned has executed this Disclosure Agreement as of the date and year set forth above.

**VERANDA COMMUNITY DEVELOPMENT  
DISTRICT II, AS ISSUER**

[SEAL]

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

ATTEST:

By: \_\_\_\_\_  
\_\_\_\_\_, Secretary

**AG EHC II (LEN) MULTI STATE 1, LLC, AS  
ASSESSMENT AREA THREE LANDOWNER**

By: \_\_\_\_\_  
\_\_\_\_\_, Manager

**VERANDA ST. LUCIE LAND HOLDINGS,  
LLC, AS ASSESSMENT AREA FIVE  
LANDOWNER**

By: \_\_\_\_\_  
\_\_\_\_\_, Manager

**RIZZETTA & COMPANY,  
INCORPORATED, and its successors and  
assigns, AS DISSEMINATION AGENT**

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

**CONSENTED TO AND AGREED TO BY:**

**DISTRICT MANAGER**

**RIZZETTA & COMPANY,  
INCORPORATED, AS DISTRICT  
MANAGER**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_



Acknowledged and agreed to for purposes of  
Sections 11, 13 and 17 only:

**U.S. BANK TRUST COMPANY, NATIONAL  
ASSOCIATION, AS TRUSTEE**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT A**

**FORM OF NOTICE TO REPOSITORIES OF FAILURE  
TO FILE [ANNUAL REPORT]  
[AUDITED FINANCIAL STATEMENTS][QUARTERLY REPORT]**

Name of Issuer: Veranda Community Development District II

Name of Bond Issue: \$[ ] original aggregate principal amount of Special Assessment Revenue and Refunding Bonds, Series 2023 (Assessment Area Three – Preserve East Project) and \$[ ] original aggregate principal amount of Special Assessment Revenue and Refunding Bonds, Series 2023 (Assessment Area Five – Phase 2 – Veranda Estates Project)

Obligated Person(s): Veranda Community Development District II;  
\_\_\_\_\_.

Original Date of Issuance: [ ], 2023

CUSIP Numbers: \_\_\_\_\_

NOTICE IS HEREBY GIVEN that the [Issuer][Obligated Person] has not provided an [Annual Report] [Audited Financial Statements] [Quarterly Report] with respect to the above-named Bonds as required by [Section 3] [Section 5] of the Continuing Disclosure Agreement dated [ ], 2023, by and between the Issuer, the Landowners and the Dissemination Agent named therein. The [Issuer][Obligated Person] has advised the undersigned that it anticipates that the [Annual Report] [Audited Financial Statements] [Quarterly Report] will be filed by \_\_\_\_\_, 20\_\_\_\_.

Dated: \_\_\_\_\_

\_\_\_\_\_, as Dissemination Agent

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

cc: Issuer  
Trustee

## **SCHEDULE A**

### **FORM OF DISTRICT'S ANNUAL REPORT (Due 3/31)**

#### **1. Fund Balances**

<b>Combined Trust Estate Assets</b>	<b><u>Quarter Ended – 12/31</u></b>
Acquisition and Construction Fund	
Revenue Fund	
Reserve Fund	
Prepayment Fund	
Other	
<b>Total Bonds Outstanding</b>	
<b>TOTAL</b>	

#### **2. Assessment Certification and Collection Information**

1. For the Current District Fiscal Year – Manner in which Assessments are collected (On Roll vs. Off Roll)

	<b><u>\$ Certified</u></b>
On Roll	\$ _____
Off Roll	\$ _____
<b>TOTAL</b>	\$ _____

2. Attach to Report the following:
- A. On Roll – Copy of certified assessment roll for the District's current Fiscal Year
- B. Off Roll – List of folios and ownership for all off roll Assessments, together with par and annual Assessment assigned to each folio

#### **3. For the immediately ended Bond Year, provide the levy and collection information**

<b><u>Total Levy</u></b>	<b><u>\$ Levied</u></b>	<b><u>\$ Collected</u></b>	<b><u>% Collected</u></b>	<b><u>% Delinquent</u></b>
On Roll	\$ _____	\$ _____	____%	____%
Off Roll	\$ _____	\$ _____	____%	____%
<b>TOTAL</b>				

4. If available, the amount of delinquencies in the Assessment Area greater than one hundred fifty (150) days, and, in the event that delinquencies amount to more than ten percent (10%) of the amount of the Assessments due in any year, a list of delinquent property owners

5. If available, the amount of tax certificates sold for lands within the Assessment Area, if any, and the balance, if any, remaining for sale from the most recent Fiscal Year

6. The amount of principal and interest to be paid on the Bonds in the current Fiscal Year

## Tab 4



**Southeast Services of the Treasure Coast, Inc. CG**

815 10th Court SW  
Vero Beach, FL 32962 US  
(772)226-7416  
seservices@bellsouth.net

## Proposal

### ADDRESS

Culpepper & Terpening, Inc.  
2960 S. 25th Street  
Ft. Pierce, FL 34947

**PROPOSAL #** 5905

**DATE** 11/03/2023

### P.O. NUMBER

Pipe Extension

### JOB LOCATION

Veranda CDD II

DATE	ACTIVITY	QTY	RATE	AMOUNT
	<b>Services:Asset Repair</b> Southeast Services proposes to modify drainage structure SD 23A to install 10LF of 24" CAP with a backflow duckbill valve on the end as per drawings provided. Special order duckbill valve will take approx. (6) weeks to receive after deposit of 30% is received.	1	24,173.00	24,173.00

Southeast Services offers the above services in this proposal only. All proposals based on hourly rates are billed inclusive of travel time unless noted otherwise. Our proposal does not include Fuel surcharges, retainage, surveys, engineering fees, as built, layouts, permits, M.O.T, sod replacement etc., unless otherwise noted.

**TOTAL**

**\$24,173.00**

Client is responsible for clean water supply and dump site for all vacuum truck jobs.

Southeast Services will charge to client any costs for special conditions (coverages) needed in regards to insurance requirements that are not standard within our policy.

Accepted By

Accepted Date

## **Tab 5**



# Quarterly Compliance Audit Report

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## Veranda II

**Date:** October 2023 - 3rd Quarter

**Prepared for:** Scott Brizendine

**Developer:** Rizzetta

**Insurance agency:**



**Preparer:**

Jason Morgan - *Campus Suite Compliance*

*ADA Website Accessibility and Florida F.S. 189.069 Requirements*

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# Compliance Audit Overview

The Community Website Compliance Audit (CWCA) consists of a thorough assessment of Florida Community Development District (CDD) websites to assure that specified district information is available and fully accessible. Florida Statute Chapter 189.069 states that effective October, 2015, every CDD in the state is required to maintain a fully compliant website for reporting certain information and documents for public access.

The CWCA is a reporting system comprised of quarterly audits and an annual summary audit to meet full disclosure as required by Florida law. These audits are designed to assure that CDDs satisfy all compliance requirements stipulated in Chapter 189.069.

## Compliance Criteria

The CWCA focuses on the two primary areas – website accessibility as defined by U.S. federal laws, and the 16-point criteria enumerated in [Florida Statute Chapter 189.069](#).



### ADA Website Accessibility

Several federal statutes (American Disabilities Act, Sec. 504 and 508 of the Rehabilitation Act of 1973) require public institutions to ensure they are not discriminating against individuals on the basis of a person's disability. Community websites are required to conform to web content accessibility guidelines – [WCAG 2.1](#), which is the international standard established to keep websites barrier-free and the recognized standard for ADA-compliance.



## Florida Statute Compliance

Pursuant to F.S. [189.069](#), every CDD is required to maintain a dedicated website to serve as an official reporting mechanism covering, at minimum, 16 criteria. The information required to report and have fully accessible spans: establishment charter or ordinance, fiscal year audit, budget, meeting agendas and minutes and more. For a complete list of statute requirements, see page 3.

## Audit Process

The Community Website Compliance Audit covers all CDD web pages and linked PDFs.\* Following the [WCAG 2.1](#) levels A, AA, and AAA for web content accessibility, a comprehensive scan encompassing 312 tests is conducted for every page. In addition, a human inspection is conducted to assure factors such as navigation and color contrasts meet web accessibility standards. See page 4 for complete accessibility grading criteria.

In addition to full ADA-compliance, the audit includes a 16-point checklist directly corresponding with the criteria set forth in Florida Statute Chapter 189.069. See page 5 for the complete compliance criteria checklist.

\* **NOTE:** Because many CDD websites have links to PDFs that contain information required by law (meeting agendas, minutes, budgets, miscellaneous and ad hoc documents, etc.), audits include an examination of all associated PDFs. **PDF remediation** and ongoing auditing is critical to maintaining compliance.



# ADA Website Accessibility

Result: **PASSED**

## Accessibility Grading Criteria

Passed	Description
Passed	<b>Website errors*</b> 0 WCAG 2.1 errors appear on website pages causing issues**
Passed	<b>Keyboard navigation</b> The ability to navigate website without using a mouse
Passed	<b>Website accessibility policy</b> A published policy and a vehicle to submit issues and resolve issues
Passed	<b>Color contrast</b> Colors provide enough contrast between elements
Passed	<b>Video captioning</b> Closed-captioning and detailed descriptions
Passed	<b>PDF accessibility</b> Formatting PDFs including embedded images and non-text elements
Passed	<b>Site map</b> Alternate methods of navigating the website

\*Errors represent less than 5% of the page count are considered passing

\*\*Error reporting details are available in your Campus Suite Website Accessibility dashboard



# Florida F.S. 189.069 Requirements

Result: **PASSED**

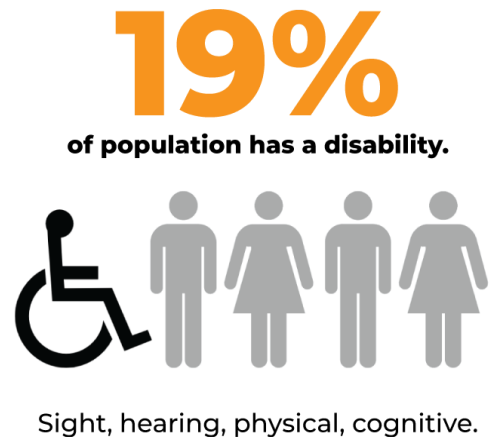
## Compliance Criteria

Passed	Description
Passed	Full Name and primary contact specified
Passed	Public Purpose
Passed	Governing body Information
Passed	Fiscal Year
Passed	Full Charter (Ordinance and Establishment) Information
Passed	CDD Complete Contact Information
Passed	District Boundary map
Passed	Listing of taxes, fees, assessments imposed by CDD
Passed	Link to Florida Commission on Ethics
Passed	District Budgets (Last two years)
Passed	Complete Financial Audit Report
Passed	Listing of Board Meetings
N/A	Public Facilities Report, if applicable
Passed	Link to Financial Services
X	Meeting Agendas for the past year, and 1 week prior to next

# Accessibility overview

## Everyone deserves equal access.

With nearly 1-in-5 Americans having some sort of disability – visual, hearing, motor, cognitive – there are literally millions of reasons why websites should be fully accessible and compliant with all state and federal laws. Web accessibility not only keeps board members on the right side of the law, but enables the entire community to access all your web content. The very principles that drive accessible website design are also good for those without disabilities.



## The legal and right thing to do

Several federal statutes (American Disabilities Act, Sec. 504 and 508 of the Rehabilitation Act of 1973) require public institutions to ensure they are not discriminating against individuals on the basis of a person's disability. Community websites are required to conform to web content accessibility guidelines, WCAG 2.1, the international standard established to keep websites barrier-free. Plain and simple, any content on your website must be accessible to everyone.



# ADA Compliance Categories

Most of the problems that occur on a website fall in one or several of the following categories.



## Contrast and colors

Some people have vision disabilities that hinder picking up contrasts, and some are color blind, so there needs to be a distinguishable contrast between text and background colors. This goes for buttons, links, text on images – everything. Consideration to contrast and color choice is also important for extreme lighting conditions.

*Contract checker:* <http://webaim.org/resources/contrastchecker>



## Using semantics to format your HTML pages

When web page codes are clearly described in easy-to-understand terms, it enables broader sharing across all browsers and apps. This ‘friendlier’ language not only helps all the users, but developers who are striving to make content more universal on more devices.



## Text alternatives for non-text content

Written replacements for images, audio and video should provide all the same descriptors that the non-text content conveys. Besides helping with searching, clear, concise word choice can make vivid non-text content for the disabled.

*Helpful article:* <http://webaim.org/techniques/alttext>



## Ability to navigate with the keyboard

Not everyone can use a mouse. Blind people with many with motor disabilities have to use a keyboard to make their way around a website. Users need to be able to interact fully with your website by navigating using the tab, arrows and return keys only. A “skip navigation” option is also required. Consider using [WAI-ARIA](#) for improved accessibility, and properly highlight the links as you use the tab key to make sections.

**Helpful article:** [www.nngroup.com/articles/keyboard-accessibility](http://www.nngroup.com/articles/keyboard-accessibility)

**Helpful article:** <http://webaim.org/techniques/skipnav>



## Easy to navigate and find information

Finding relevant content via search and easy navigation is a universal need. Alt text, heading structure, page titles, descriptive link text (no ‘click here’ please) are just some ways to help everyone find what they’re searching for. You must also provide multiple ways to navigate such as a search and a site map.

**Helpful article:** <http://webaim.org/techniques/sitetools/>



## Properly formatting tables

Tables are hard for screen readers to decipher. Users need to be able to navigate through a table one cell at a time. In addition to the table itself needing a caption, row and column headers need to be labeled and data correctly associated with the right header.

**Helpful article:** <http://webaim.org/techniques/tables/data>



## **Making PDFs accessible**

PDF files must be tagged properly to be accessible, and unfortunately many are not. Images and other non-text elements within that PDF also need to be ADA-compliant. Creating anew is one thing; converting old PDFs – called PDF remediation – takes time.

*Helpful articles:* <http://webaim.org/techniques/acrobat/acrobat>



## **Making videos accessible**

Simply adding a transcript isn't enough. Videos require closed captioning and detailed descriptions (e.g., who's on-screen, where they are, what they're doing, even facial expressions) to be fully accessible and ADA compliant.

*Helpful article:* <http://webaim.org/techniques/captions>



## **Making forms accessible**

Forms are common tools for gathering info and interacting. From logging in to registration, they can be challenging if not designed to be web-accessible. How it's laid out, use of labels, size of clickable areas and other aspects need to be considered.

*Helpful article:* <http://webaim.org/techniques/forms>



## **Alternate versions**

Attempts to be fully accessible sometimes fall short, and in those cases, alternate versions of key pages must be created. That is, it is sometimes not feasible (legally, technically) to modify some content. These are the 'exceptions', but still must be accommodated.





## **Feedback for users**

To be fully interactive, your site needs to be able to provide an easy way for users to submit feedback on any website issues. Clarity is key for both any confirmation or error feedback that occurs while engaging the page.



## **Other related requirements**

### ***No flashing***

Blinking and flashing are not only bothersome, but can be disorienting and even dangerous for many users. Seizures can even be triggered by flashing, so avoid using any flashing or flickering content.

### ***Timers***

Timed connections can create difficulties for the disabled. They may not even know a timer is in effect, it may create stress. In some cases (e.g., purchasing items), a timer is required, but for most school content, avoid using them.

### ***Fly-out menus***

Menus that fly out or down when an item is clicked are helpful to dig deeper into the site's content, but they need to be available via keyboard navigation, and not immediately snap back when those using a mouse move from the clickable area.

### ***No pop-ups***

Pop-up windows present a range of obstacles for many disabled users, so it's best to avoid using them altogether. If you must, be sure to alert the user that a pop-up is about to be launched.

# Web Accessibility Glossary

Assistive technology	Hardware and software for disabled people that enable them to perform tasks they otherwise would not be able to perform (e.g., a screen reader)
WCAG 2.0	Evolving web design guidelines established by the W3C that specify how to accommodate web access for the disabled
504	Section of the Rehabilitation Act of 1973 that protects civil liberties and guarantees certain rights of disabled people
508	An amendment to the Rehabilitation Act that eliminates barriers in information technology for the disabled
ADA	American with Disabilities Act (1990)
Screen reader	Software technology that transforms the on-screen text into an audible voice. Includes tools for navigating/accessing web pages.
Website accessibility	Making your website fully accessible for people of all abilities
W3C	World Wide Web Consortium – the international body that develops standards for using the web

## **Tab 6**

# WATERWAY MANAGEMENT REPORT



Toll free: 1-877-966-9333 • Fax: (561) 844-9629  
www.superiorwaterway.com

CUSTOMER Veranda CDD II TECHNICIAN Burt DATE 10-23-23

TEMPERATURE (°F)	<55	55-65	66-75	CLOUD COVER	Clear	25-50%	WIND	0-5	6-10
	76-85	86-95	96+		50-75%	Overcast		11-15	16+

Lake #'s	34					
Weeds Treated	3 Aw pw					

**KEY**

A = Algae	Ch = Chara	Hyg = Hygrophila	Pr = Primrose	Ta = Tape Grass
Aw = Alligatorweed	Co = Coontail	Ip = Illinois Pondweed	Ru = Ruppia	Tg = Torpedograss
Bt = Baby Tears	Cb = Cuban Bulrush	Lm = Limnophila	Sag = Sago Pondweed	Wh = Water Hyacinths
Ba = Bacopa	Dw = Duckweed	Mf = Mosquito Fern	Sa = Salvinia	Wl = Water Lettuce
Bl = Banana Lilies	Fw = Fanwort	N = Naiad	Sd = Sedges	Wli = Water Lilies
Bw = Bladderwort	Gb = Giant Bulrush	Pw = Pennywort	Ss = Slender Spikerush	Wm = Water Meal
Ct = Cattails	Hy = Hydrilla	Pa = Planktonic Algae	Sp = Spatterdock	Wt = Wild Taro

REMARKS: I inspected the lakes & treated for invasive  
bank vegetation.

## WATER TESTING (COMBINED AVERAGE)

TEMPERATURE H <sub>2</sub> O (°F)	<input type="checkbox"/> High 85-95	<input type="checkbox"/> Normal 75-86	<input type="checkbox"/> Low 75 <
DISSOLVED OXYGEN (ppm.)	<input type="checkbox"/> High 6-8	<input type="checkbox"/> Normal 4 -6	<input type="checkbox"/> Low 4 <
pH READING	<input type="checkbox"/> Acid 1-7	<input type="checkbox"/> Neutral 7	<input type="checkbox"/> Base 7 - 14
WATER CLARITY (Ft.)	<input type="checkbox"/> Good 6 >	<input type="checkbox"/> Fair 4-5	<input type="checkbox"/> Poor 4 <

## FISH/WILDLIFE OBSERVATIONS

FISH	<input type="checkbox"/> Largemouth Bass	<input type="checkbox"/> Bream	<input type="checkbox"/> Sunshine Bass	<input type="checkbox"/> Catfish	<input type="checkbox"/> Triploid Grass Carp
	<input type="checkbox"/> Mosquitofish	<input type="checkbox"/> Oscar	<input type="checkbox"/> Suckermouth Catfish	<input type="checkbox"/> Peacock Bass	<input type="checkbox"/> Mayan Cichlid
	<input type="checkbox"/> Snakehead	<input type="checkbox"/> Tilapia	<input type="checkbox"/> Florida Gar	<input type="checkbox"/> Piranha	<input type="checkbox"/> Clown Knife Fish
WILDLIFE	<input type="checkbox"/> Alligator	<input type="checkbox"/> Turtle	<input type="checkbox"/> Otter	<input type="checkbox"/> Iguana	<input type="checkbox"/> Fox
	<input type="checkbox"/> Snake	<input type="checkbox"/> Wild Hog	<input type="checkbox"/> Raccoon	<input type="checkbox"/> Coyote	<input type="checkbox"/> Manatee
BIRDS	<input type="checkbox"/> Egret	<input type="checkbox"/> Muscovies	<input type="checkbox"/> Coot	<input type="checkbox"/> Bald Eagle	<input type="checkbox"/> Osprey
	<input type="checkbox"/> Anhinga	<input type="checkbox"/> Cormorant	<input type="checkbox"/> Wild Ducks	<input type="checkbox"/> Ibis	<input type="checkbox"/> Wood Stork
	<input type="checkbox"/> Limpkin	<input type="checkbox"/> Pelican	<input type="checkbox"/> Sandhill Crane	<input type="checkbox"/> Tricolored Heron	<input type="checkbox"/> Roseate Spoonbill
	<input type="checkbox"/> Moorhen	<input type="checkbox"/> Snail Kite	<input type="checkbox"/> Little Blue Heron	<input type="checkbox"/> Green Heron	<input type="checkbox"/> Great Blue Heron

OTHER: -

**Weed & Algae Control • Fountains & Aeration • Preserve Restoration  
Fish Stocking • Wetland Planting & Maintenance • Water Clarification**