



Rizzetta & Company

# **Waterset South Community Development District**

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## **Board of Supervisors' Meeting January 11, 2024**

**District Office:  
2700 S Falkenburg Rd.  
Suite 2745  
Riverview, FL 33578**

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

# **WATERSET SOUTH COMMUNITY DEVELOPMENT DISTRICT**

Rizzetta & Company, 2700 S. Falkenburg Rd., Suite 2745, Riverview, FL 33578

<b>District Board of Supervisors</b>	Amanda King Pete Williams Deneen Klenke Lynda McMorrow John Blakley	Chairman Vice Chairman Assistant Secretary Assistant Secretary Assistant Secretary
<b>District Manager</b>	Ruben Durand	Rizzetta & Company, Inc.
<b>District Counsel</b>	Alyssa Willson	Kutak Rock LLP
<b>District Engineer</b>	Tim Plate	Heidt Design LLC

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

The Audience Comment portion of the agenda is where individuals may make comments on matters that concern the District. Individuals are limited to a total of three (3) minutes to make comments during this time.

Pursuant to provisions of the Americans with Disabilities Act, any person requiring special accommodations to participate in this meeting/hearing/workshop is asked to advise the District Office at least forty-eight (48) hours before the meeting/hearing/workshop by contacting the District Manager at (813) 533-2950. If you are hearing or speech impaired, please contact the Florida Relay Service by dialing 7-1-1, or 1-800-955-8771 (TTY) 1-800-955-8770 (Voice), who can aid you in contacting the District Office.

A person who decides to appeal any decision made at the meeting/hearing/workshop with respect to any matter considered at the meeting/hearing/workshop is advised that 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.

**Board of Supervisors**  
**Waterset South Community**  
**Development District**

January 4, 2024

**FINAL AGENDA**

Dear Board Members:

The regular meeting of the Board of Supervisors of the Waterset South Community Development District will be held on **Thursday, January 11, 2024, at 9:00 a.m.**, located at the offices of **Rizzetta & Company, located at 2700 S. Falkenburg Rd., Suite 2745,** Riverview, FL 33578. The following is the final agenda for this meeting:

**BOARD OF SUPERVISORS' MEETING:**

- 1. CALL TO ORDER/ ROLL CALL**
- 2. AUDIENCE COMMENTS ON AGENDA ITEMS**
- 3. STAFF REPORTS**
  - A. Aquatic Report .....Tab 1
  - B. Landscape and Irrigation
    - i. Presentation of Landscape Inspection Report .....Tab 2
    - ii. Landscape Contractor Update.....(USC)
    - iii. Irrigation Contractor Update .....(USC)
  - C. District Counsel
    - i. Memo on Ethics Training .....Tab 3
  - D. District Engineer
  - E. District Manager
- 4. BUSINESS ITEMS**
  - A. Consideration of Sitex Proposal for Additional Ponds .....Tab 4
  - B. Consideration of Supplemental IBA .....Tab 5
  - C. Consideration of Resolution 2024-02,  
Authorizing the Issuance of not to Exceed \$10,500  
Aggregate Principal Amount.....Tab 6
  - D. Consideration of Second Amendment to Landscape  
Maintenance Agreement with Sunrise .....Tab 7
- 5. BUSINESS ADMINISTRATION**
  - A. Consideration of Minutes of the Board of Supervisors'  
Regular Meeting held on December 14, 2023 .....Tab 8
- 6. SUPERVISOR REQUESTS**
- 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 813-933-5571.

Sincerely,

*Ruben Durand*

Ruben Durand  
District Manager

# Tab 1

From: [Devin Cole](#)  
To: [Bobby Collins](#)  
Subject: [EXTERNAL] WaterSet south Sitex report  
Date: Tuesday, January 2, 2024 9:05:27 AM  
Attachments: [E2E9F128-9234-484C-80E7-0294A4C3157.png](#)  
[B8EABE3-C378-4F34-B8E7-F2A5A5A1E116.png](#)  
[226C928F-19E6-498A-B1C1-08F7E9E0C316.png](#)  
[8F5A9F6C-1276-4383-8C85-206326741F7F.png](#)  
[3738D793-2653-495D-80F7-A332E57C7170.png](#)  
[9C3C27D2-7912-417D-8026-9037F22D8848.png](#)  
[70AC0E81-4314-4E5B-8028-337A21200281.png](#)

**NOTICE: This email originated from outside of the organization.**  
Do not click links or open attachments unless you recognize the sender and know the content is safe. Please use the Phish Alert! button to report suspicious messages.

Attached below is the report for January. Happy new year!



Prepared for: Ruben Durand  
Prepared By: Devon Craig

## SUMMARY:

We have gotten a little bit of rain this past month. A little extra sure wouldnt hurt. Ponds are in are responding well to the cooler air tempatures. Algae blooms are noticeably reduceing. Like last month preventative maintenance has and will continue as always as needed. Happy New Year.



Pond #1 treated for Shoreline Vegetation.



Pond #2 treated for Shoreline Vegetation.



Pond #4 treated for Algae and Shoreline Vegetation.



Pond #5 treated for Algae and Shoreline Vegetation.



Pond #7 treated for Shoreline Vegetation.



Pond #8 treated for Shoreline Vegetation.



Pond #15 Treated for Shoreline Vegetation.



Pond #16 Treated for Shoreline Vegetation.



Pond #18 Treated for Shoreline Vegetation.



Pond #19 Treated for Shoreline Vegetation.



Pond #21 Treated for Shoreline Vegetation.



Pond #22 Treated for Algae and Shoreline Vegetation.

Thanks

Devon Craig  
Field Operations Manager  
941.201.7287  
[www.sitexaquatics.com](http://www.sitexaquatics.com)

## **Tab 2**



# WATERSET SOUTH

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## LANDSCAPE INSPECTION REPORT



December 28, 2023  
Rizzetta & Company  
John R. Toborg – Division Manager  
Landscape Inspection Services



Rizzetta & Company  
Professionals in Community Management

# Updates, Waterset Blvd., 30<sup>th</sup> Street, Bellido

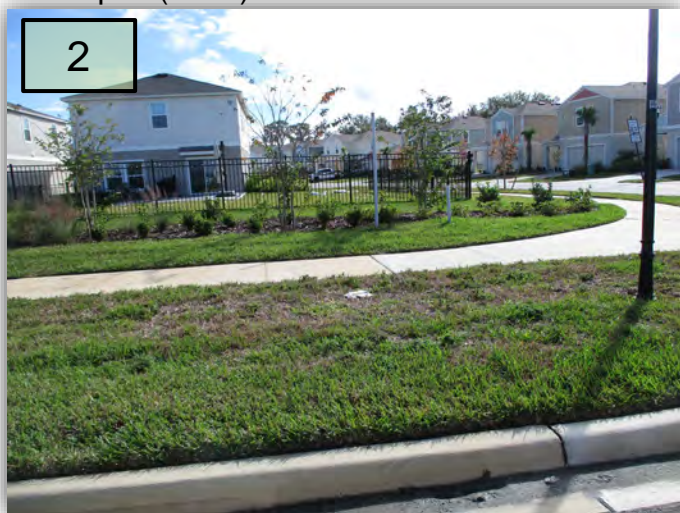
## General Updates, Recent & Upcoming Maintenance Events:

- The next fertilizer applications are in February.

The following are action items for Sunrise to complete. Please refer to the item # in your response listing action already taken or anticipated time of completion. **Red text** indicates deficient from previous report. **Bold Red text** indicates deficient for more than a month. **Green text** indicates a proposal has been requested. **Blue** indicates irrigation. **Bold, underlined is info. or questions for the BOS.** **Orange** is for **STAFF**.

1. Where the dead Pine trees were present during last month's inspection at Waterset Blvd. & 30<sup>th</sup> St., they now have been removed, however, the lodge poles were left in the ground. These, too, need to be removed.

2. Green Corps. Spray stakes are now in place in the turf. Has there been communication between BrightView and Green Corps regarding any chemicals BV may have applied? What has been sprayed by Green Corps? (Pic 2)



3. The 5<sup>th</sup> Oak east of Summer Sunset (north leg) on the north side of Waterset Blvd. (WSBlvd.) is a horribly shaped tree and could use some selective pruning to help it for a decent tree form.

4. There is an existing Addendum that added at least two mow passes on the north side of the wall across the north side of Phase D1. What

is occurring here at the western break in the wall at Bellido? The mowing seems to stop too early. (Pic 4)



5. Continue spot treating turf weeds in the Summer Sunset/Golden Nettle pocket park as well as in the turf in the Summer Sunset pocket park on the south side of WSBlvd.

6. **There remains a dead Sabal Palm (still under warranty on the WSBlvd. median west of Summer Sunset.**

7. I still feel BrightView should have replaced more Jatropha than they actually did. (Pic 7>)

# Waterset Blvd., Covington Garden Dr. Roundabout, Midship Ct.

8. Continuing to document the Bismarck Palm on the Covington Garden Dr. (CGD)/WSBlvd. roundabout. (Pic 8)



12. We need to make sure we keep an eye on Midship Ct. Trucks are damaging the cul-de-sac and there is a county water meter about 18" off the curb.

**13. Would the developer consider decreasing the spacing (adding more plants) to the Podocarpus hedge between the homes on Hidden Branch and CGD east of Wolf Creek? It will be a very long time before these plants (between 3' & 4' on center) will create a solid visual buffer for these homes. (Pic 13>**

9. Should Sunrise be applying a fertilizer to the turf to encourage root growth during the dormant season? Something with a larger "P" & "K" percentage and little "N"? (Pic 9>)

**10. Is there a GC responsibility to clean the curb and gutters of WSBlvd. and CGD? Many are full of mud and debris and plants are taking root.**

11. There are dead Juniper that should be replaced under warranty on the Wolf Creek median and the Crinum Lilies are looking very stressed. (Pic 11>)



14. This tree on the north side of CGD between Wolf Creek and 30<sup>th</sup> Street should be replaced or at least re-set. It is bent at an unhealthy angle. (Pic 14>)

# Covington Garden Drive, 30<sup>th</sup> Street

<13



16. In conjunction with Item No. 4, the entire back side of the wall along the north boundary of Phase A & D1, should look like this at the eastern end of the wall at 30<sup>th</sup> Street. (Pic 16)

16



15. A couple Oaks on the west side of 30<sup>th</sup> Street closer to CGD have dropped their leaves a bit early. We will continue to monitor. (Pic 15)

15



<14



# Proposals

1. Sunrise to provide a proposal to incorporate any irrigation filters such as this one at Roadstead Ct. cul-de-sac, within a bed of river rock with metal edging. There are several others like this one in parks and pond banks. (Pic 1)



## **Tab 3**

**MEMORANDUM**

**To:** Board of Supervisors, Waterset South Community Development District

**From:** Alyssa Willson

**Date:** January 4, 2024

**Subject:** Ethics Training Requirements

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Beginning January 1, 2024, all Board Supervisors of Florida Community Development Districts will be required to complete four (4) hours of Ethics training each year. The four (4) hours must be allocated to the following categories: two (2) hours of Ethics Law, one (1) hour of Sunshine Law, and one (1) hour of Public Records law.

This training may be completed online, and the four (4) hours do not have to be completed all at once. The Florida Commission on Ethics (“COE”) has compiled a list of resources for this training. An overview of the resources are described below, and links to the resources are included in this memo.

Each year when Supervisors complete the required financial disclosure form (Form 1 Statement of Financial Interests), Supervisors must mark a box confirming that he or she has completed the Ethics training requirements. At this time, there is no requirement to submit a certificate; however, the COE advises that Supervisors keep a record of all trainings completed (including date and time of completion), in the event Supervisors are ever asked to provide proof of completion. The training is a calendar year requirement and corresponds to the form year. So, Supervisors will not report their 2024 training until they fill out their Form 1 for the 2025 year.

**Free Training Options**

The Florida Commission on Ethics’ (“COE”) website has several free online resources and links to resources that Supervisors can access to complete the training requirements. Navigate to that page here: [Florida Commission on Ethics Training](https://ethics.state.fl.us/Training/Training.aspx).<sup>1</sup> Please note that the COE only provides free training for the two (2) hour Ethics portion of the annual training. However, the COE does provide links to free outside resources to complete the Sunshine and Public Records portion of the training. These links are included in this memorandum below for your ease of reference.

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<sup>1</sup> <https://ethics.state.fl.us/Training/Training.aspx>

# KUTAKROCK

## **Free Ethics Law Training**

The COE provides several videos for Ethics training, none of which are exactly two (2) hours in length. Please ensure you complete 120 minutes of Ethics training when choosing a combination of the below.

### **State Ethics Laws for Constitutional Officers & Elected Municipal Officers (100 minutes)**

Click here: [Kinetic Ethics](#)

### **Business and Employment Conflicts and Post-Public-Service (56 minutes) Restriction**

Click here: [Business and Employment Conflicts](#)

### **Gifts (50 minutes)**

Click here: [Ethics Laws Governing Acceptance of Gifts](#)

### **Voting Conflicts - Local Officers (58 minutes)<sup>1</sup>**

Click here: [Voting Vertigo](#)

## **Free Sunshine/Public Records Law Training**

The Office of the Attorney General provides a two (2) hour online training course (audio only) that meets the requirements of the Sunshine Law and Public Records Law portion of Supervisors' annual training.

Click here to access: [Public Meeting and Public Records Law](#)

## **Other Training Options**

### **4- Hour Course**

Some courses will provide a certificate upon completion (not required), like the one found from the Florida State University, Florida Institute of Government, linked here: [4-Hour Ethics Course](#). This course meets all the ethics training requirements for the year, including Sunshine Law and Public Records training. This course is currently \$79.00

### **CLE Course**

The COE's website includes a link to the Florida Bar's Continuing Legal Education online tutorial which also meets all the Ethics training requirements. However, this is a CLE course designed more specifically for attorneys. The 5 hours 18 minutes' long course exceeds the 4-hour requirement and its cost is significantly higher than the 4-Hour Ethics course provided by the Florida State University. The course is currently \$325.00. To access this course, click here: [Sunshine Law, Public Records and Ethics for Public Officers and Public Employees](#).

If you have any questions, please do not hesitate to contact me.



## **Tab 4**

# Aquatic Management Agreement

*This agreement is between Sitex Aquatics, LLC. Hereafter called Sitex and Waterset South CDD hereafter called "customer"*

**Customer:** Waterset south CDD  
**C/O:** Rizzetta & Company  
**Contact:** Mr. Rueben Durand  
**Address:** 3434 Colewell Ave Suite 200 Tampa, Fl 33614  
**Email:** RDurand@rizzetta.com  
**Phone:** 813.793.8814

*Sitex agrees to provide aquatic management services for a period of 12 months In accordance with the terms and conditions of this agreement in the following sites:*

Eight (8) Ponds (21 Acres) at the Waterset South Community located in Apollo Beach, FL (see attached map)

*Customer agrees to pay Sitex the following amounts during the term of this agreement for the specific service:*

- |  |          |
|--|----------|
| 1. Shoreline Grass and Brush Control                   | Included |
| 2. Underwater, Floating and Algae Treatment            | Included |
| 3. All Services Performed by State Licensed Applicator | Included |
| 4. Treatment Report Issued After Each Visit            | Included |
| 5. Use of EPA Regulated Materials Only                 | Included |
| 6. Algae callback service as needed                    | Included |
| 7. Non-Construction trash removal                      | Included |

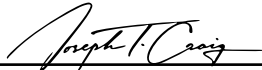
*Service shall consist of Twelve (12) treatments a year as needed.*

*Customer agrees to pay Sitex the following amount during the term of this agreement which shall be 01/01/24 thru 01/01/25 Agreement will automatically renew as per Term and Conditions:*

**Total Monthly Service Amount:** \$1,118.00  
**Total 1st year Maintenance Cost:** \$13,416.00

*Invoice is due and payable within 30 days. Overdue accounts may accrue a service charge.*

*Customer acknowledges that he/she has read and is familiar with the additional terms and conditions printed on the reverse side, which are incorporated in this agreement.*

Accepted By	Date	 President, Sitex Aquatics Ilc.	12/05/2023 Date
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# Terms & Conditions

Sitex agrees to provide all labor, supervision, and equipment necessary to carry out the work. There shall be no variance from these specifications unless expressly stated though an addendum.

The Annual Cost will be paid to Sitex in Twelve (12) equal payments, which are due and payable in advance of each month in which the service will be rendered and will be considered late on the 30th of that month. A surcharge of two percent (2%) per month will be added for delinquent payments. The Customer is responsible for any collection or attorney's fees required to collect on this agreement.

This Agreement will be for a twelve (12) month period. This Agreement shall be automatically renewed at the end of the twelve (12) months. The monthly service amount may be adjusted, as agreed upon by both Parties, and set forth in writing to Customer. Both parties agree that service shall be continuous without interruption.

Additional Services requested by the customer such as trash clean up, physical cutting or paint removal, and other additional services performed will be billed separately at the current hourly equipment and labor rates.

Cancellation by either the Customer or Sitex may terminate the Agreement without cause at any time. Termination shall be by written notice, received by either the customer or Sitex at least thirty (30) days prior to the effective date of the termination.

Neither party shall be responsible for damage, penalties or otherwise for any failure or delay in performance of any of its obligations hereunder caused by strikes, riots, war, acts of Nature, accidents, governmental orders and regulations, curtailment or failure to obtain sufficient material, or other force majeure condition (whether or not of the same class or kind as those set forth above) beyond its reasonable control and which, by the exercise of due diligence, it is unable to overcome. • Sitex agrees to hold Customer harmless from any loss, damage or claims arising out of the sole negligence of Sitex. However, Sitex shall in no event be liable to Customer or other for indirect, special or consequential damage resulting from any cause whatsoever.

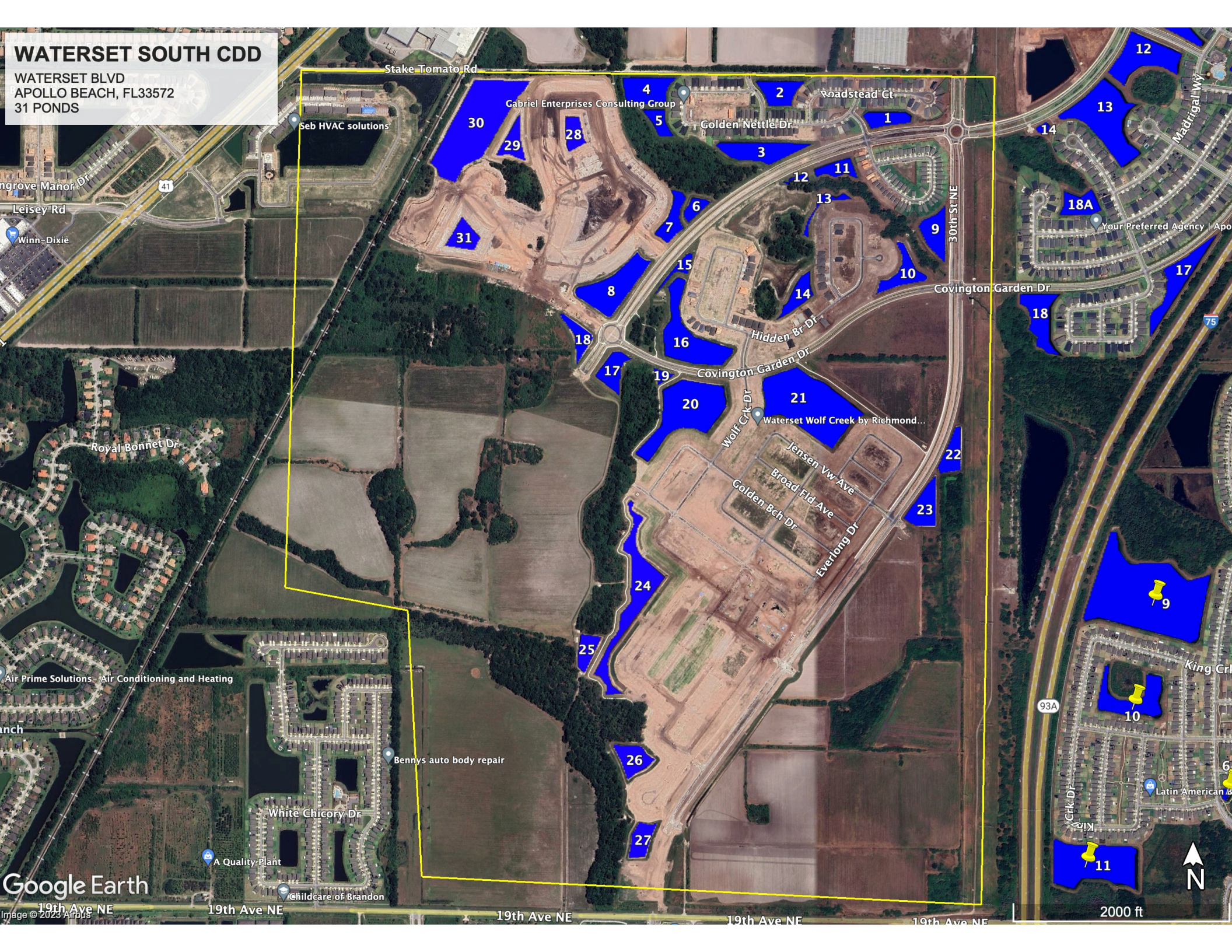
It is agreed by both Parties that the work performed under this Agreement will be done on a schedule that is sensitive to the overall function of the property. Additionally, it is understood that all work will be performed during the normal business week (Monday-Friday) unless otherwise stipulated.

Sitex shall maintain the following insurance coverage and limits;

- (a) Workman's Compensation with statutory limits;
- (b) Automobile Liability;
- (c) Comprehensive General Liability including Property Damage, Completed Operations, and Product Liability.

A Certificate of insurance will be provided upon request. Customers requesting special or additional insurance coverage and/or language shall pay resulting additional premium to Sitex to provide such coverage. • This Agreement shall be governed by the laws of the state of Florida.

**WATERSET SOUTH CDD**  
WATERSET BLVD  
APOLLO BEACH, FL33572  
31 PONDS



Stake Tomato Rd

Gabriel Enterprises Consulting Group

Golden Nettle Dr

Roadstead Ct

Seb HVAC solutions

41

Leisey Rd

Winn-Dixie

14

13

12

Madrigal Wy

Your Preferred Agency | Apo

18A

17

Covington Garden Dr

18

75

18

16

13

14

10

Hidden Br Dr

17

19

Covington Garden Dr

20

21

Waterset Wolf Creek by Richmond...

22

23

Wolf Ck Dr

Jensen Vw Ave

Broad Fld Ave

Golden Bch Dr

Everlong Dr

24

25

26

27

9

10

6

11

N

93A

King Crk

Latin American B

Crk Dr

King

White Chicory Dr

Bennys auto body repair

A Quality Plant

Childcare of Brandon

Google Earth

19th Ave NE

19th Ave NE

19th Ave NE

19th Ave NE

19th Ave NE

2000 ft

## **Tab 5**



# MBS CAPITAL MARKETS, LLC

**SUPPLEMENT TO INVESTMENT BANKING AGREEMENT  
DATED AUGUST 9, 2022  
REGARDING BOND ISSUANCES BY  
WATERSET SOUTH COMMUNITY DEVELOPMENT DISTRICT**

January 11, 2024

Board of Supervisors  
Waterset South Community Development District

Dear Supervisors:

MBS Capital Markets, LLC (“Underwriter”) and the Board of Supervisors of the Waterset South Community Development District (“District”) entered into an Investment Banking Agreement effective August 9, 2022 (“Agreement”) wherein the District engaged the Underwriter to provide investment banking services for the District. The purpose of this letter is to supplement the Agreement by specifying the particular planned transaction currently being contemplated by the District for which such investment banking services are to be provided by the Underwriter.

The District is considering the issuance of its Special Assessment Revenue Bonds, Series 2024 for the purpose of acquiring/constructing additional public infrastructure improvements within the District. It is the District’s intent to engage the Underwriter to provide investment banking services for this transaction.

The scope of services to be provided in a non-fiduciary capacity by the Underwriter for this transaction will include those listed below.

- Advice regarding the structure, timing, terms, and other similar matters concerning the particular municipal securities described above.
- Preparation of rating strategies and presentations related to the issue being underwritten.
- Preparations for and assistance with investor “road shows,” if any, and investor discussions related to the issue being underwritten.
- Advice regarding retail order periods and institutional marketing if the District decides to engage in a negotiated sale.
- Assistance in the preparation of the Preliminary Official Statement, if any, and the Final Official Statement.
- Assistance with the closing of the issue, including negotiation and discussion with respect to all documents, certificates, and opinions needed for the closing.
- Coordination with respect to obtaining CUSIP numbers and the registration with the Depository Trust Company.
- Preparation of post-sale reports for the issue, if any.

**Member: FINRA/SIPC**



## MBS CAPITAL MARKETS, LLC

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- Structuring of refunding escrow cash flow requirements, but not the recommendation of and brokerage of particular municipal escrow investments.

All other terms of the Agreement shall remain in effect, including specifically the Disclosures Concerning the Underwriter's Role Required by MSRB Rule G-17 which is again being provided in Exhibit A hereto. By execution of this supplement to the Agreement you are acknowledging receipt of the same.

This supplement to the Agreement shall be effective upon your acceptance and shall remain in effect until such time as the financing described herein has been completed or the Agreement is terminated as provided in Section 3 of the Agreement.

Sincerely,  
**MBS Capital Markets, LLC**

A handwritten signature in blue ink, appearing to read 'B. Sealy', is positioned above a horizontal line.

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Brett Sealy  
Managing Partner

Approved and Accepted By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_



# MBS CAPITAL MARKETS, LLC

## EXHIBIT A

### **Disclosures Concerning the Underwriter's Role**

- (i) MSRB Rule G-17 requires an underwriter to deal fairly at all times with both municipal issuers and investors.
- (ii) The underwriter's primary role is to purchase the Bonds with a view to distribution in an arm's-length commercial transaction with the Issuer. The underwriters has financial and other interests that differ from those of the District.
- (iii) Unlike a municipal advisor, the underwriter does not have a fiduciary duty to the District under the federal securities laws and are, therefore, is required by federal law to act in the best interests of the District without regard to their own financial or other interests.
- (iv) The underwriter has a duty to purchase the Bonds from the Issuer at a fair and reasonable price but must balance that duty with their duty to sell the Bonds to investors at prices that are fair and reasonable.
- (v) The underwriter will review the official statement for the Bonds in accordance with, and as part of, its respective responsibilities to investors under the federal securities laws, as applied to the facts and circumstances of this transaction.

### **Disclosure Concerning the Underwriter's Compensation**

The underwriter will be compensated by a fee and/or an underwriting discount that will be set forth in the bond purchase agreement to be negotiated and entered into in connection with the issuance of the Bonds. Payment or receipt of the underwriting fee or discount will be contingent on the closing of the transaction and the amount of the fee or discount may be based, in whole or in part, on a percentage of the principal amount of the Bonds. While this form of compensation is customary in the municipal securities market, it presents a conflict of interest since the underwriter may have an incentive to recommend to the District a transaction that is unnecessary or to recommend that the size of the transaction be larger than is necessary.

### **Conflicts of Interest**

The Underwriter has not identified any additional potential or actual material conflicts that require disclosure including those listed below.

**Payments to or from Third Parties.** There are no undisclosed payments, values, or credits to be received by the Underwriter in connection with its underwriting of this new issue from parties other than the District, and there are no undisclosed payments to be made by the Underwriter in connection with this new issue to parties other than the District (in either case including payments, values, or credits that relate directly or indirectly to collateral transactions integrally related to the issue being underwritten). In addition, there are no third-party arrangements for the marketing of the District's securities.





## MBS CAPITAL MARKETS, LLC

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**Profit-Sharing with Investors.** There are no arrangements between the Underwriter and an investor purchasing new issue securities from the Underwriter (including purchases that are contingent upon the delivery by the District to the Underwriter of the securities) according to which profits realized from the resale by such investor of the securities are directly or indirectly split or otherwise shared with the Underwriter.

**Credit Default Swaps.** There will be no issuance or purchase by the Underwriter of credit default swaps for which the reference is the District for which the Underwriter is serving as underwriter, or an obligation of that District.

**Retail Order Periods.** For new issues in which there is a retail order period, the Underwriter will honor such agreement to provide the retail order period. No allocation of securities in a manner that is inconsistent with a District's requirements will be made without the District's consent. In addition, when the Underwriter has agreed to underwrite a transaction with a retail order period, it will take reasonable measures to ensure that retail clients are bona fide.

**Dealer Payments to District Personnel.** Reimbursements, if any, made to personnel of the District will be made in compliance with MSRB Rule G-20, on gifts, gratuities, and non-cash compensation, and Rule G-17, in connection with certain payments made to, and expenses reimbursed for, District personnel during the municipal bond issuance process.

### **Disclosures Concerning Complex Municipal Securities Financing**

Since the Underwriter has not recommended a "complex municipal securities financing" to the Issuer, additional disclosures regarding the financing structure for the Bonds are not required under MSRB Rule G-17.

## **Tab 6**

## RESOLUTION 2024-02

A RESOLUTION OF THE BOARD OF SUPERVISORS OF WATERSSET SOUTH COMMUNITY DEVELOPMENT DISTRICT AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$10,500,000 AGGREGATE PRINCIPAL AMOUNT OF WATERSSET SOUTH COMMUNITY DEVELOPMENT DISTRICT SPECIAL ASSESSMENT REVENUE BONDS, IN ONE OR MORE SERIES (THE "SERIES 2024 BONDS"); APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A SECOND SUPPLEMENTAL TRUST INDENTURE; AUTHORIZING THE NEGOTIATED SALE OF THE SERIES 2024 BONDS; APPOINTING AN UNDERWRITER; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT WITH RESPECT TO THE SERIES 2024 BONDS AND AWARDING THE SERIES 2024 BONDS TO THE UNDERWRITER NAMED THEREIN PURSUANT TO THE PARAMETERS SET FORTH IN THIS RESOLUTION; APPROVING THE FORM OF AND AUTHORIZING THE DISTRIBUTION OF A PRELIMINARY LIMITED OFFERING MEMORANDUM AND ITS USE BY THE UNDERWRITER IN CONNECTION WITH THE OFFERING FOR SALE OF THE SERIES 2024 BONDS AND APPROVING THE EXECUTION AND DELIVERY OF A FINAL LIMITED OFFERING MEMORANDUM; AUTHORIZING THE EXECUTION AND DELIVERY OF A CONTINUING DISCLOSURE AGREEMENT AND THE APPOINTMENT OF A DISSEMINATION AGENT; PROVIDING FOR THE APPLICATION OF SERIES 2024 BOND PROCEEDS; AUTHORIZING THE PROPER OFFICIALS TO DO ALL THINGS DEEMED NECESSARY IN CONNECTION WITH THE ISSUANCE, SALE AND DELIVERY OF THE SERIES 2024 BONDS; APPOINTING A TRUSTEE, BOND REGISTRAR AND PAYING AGENT; DETERMINING CERTAIN DETAILS WITH RESPECT TO THE SERIES 2024 BONDS; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, Waterset South Community Development District (the "District") is a local unit of special-purpose government organized and existing in accordance with the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the "Act"), created by Ordinance No. 22-19 of the Board of County Commissioners of Hillsborough County, Florida (the "County"), enacted on July 26, 2022, and effective on July 27, 2022; and

WHEREAS, the District was created for the purpose of financing and managing the acquisition, construction, installation, maintenance, and operation of community development facilities, services, and improvements within and without the boundaries of the District; and

**WHEREAS**, pursuant to Resolution No. 2022-29 adopted by the Board of Supervisors (the “Board”) of the District on August 9, 2022 (the “Master Bond Resolution”), the Board has authorized the issuance, sale and delivery of Bonds in an aggregate principal amount not to exceed \$170,835,000 (the “Bonds”), to be issued in one or more Series of Bonds as authorized under a Master Trust Indenture (the “Master Indenture”) between the District and U.S. Bank Trust Company, National Association, as trustee (the “Trustee”), which Bonds were validated by final judgment (the “Final Judgment”) of the Circuit Court of the Thirteenth Judicial Circuit of the State of Florida, in and for Hillsborough County, Florida rendered on October 31, 2022, the appeal period for which has expired with no appeal having been taken; and

**WHEREAS**, the Board has determined to issue its Waterset South Community Development District Special Assessment Revenue Bonds, in one or more Series (the “Series 2024 Bonds”), for the purpose, among others, of financing a portion of the Costs of the acquisition, construction and installation of assessable capital improvements within and without the boundaries of the District (the “Series 2024 Project”) more particularly described in the Supplemental District Engineer’s Report, Series 2024 Project (2024 Assessment Area) dated December 2023, prepared by Heidt Design, LLC (the “Engineer’s Report”); and

**WHEREAS**, the Series 2024 Bonds shall constitute a Series of Bonds authorized by the Master Bond Resolution; and

**WHEREAS**, there has been submitted to the Board with respect to the issuance and sale of the Series 2024 Bonds:

(i) a form of Second Supplemental Trust Indenture (the “Second Supplement” and, together with the Master Indenture, the “Indenture”), between the Trustee and the District attached hereto as **Exhibit A**;

(ii) a form of Bond Purchase Agreement with respect to the Series 2024 Bonds between MBS Capital Markets, LLC and the District attached hereto as **Exhibit B** (the “Purchase Contract”), together with the form of disclosure statements attached to the Purchase Contract in accordance with Section 218.385, Florida Statutes;

(iii) a form of Preliminary Limited Offering Memorandum attached hereto as **Exhibit C** (the “Preliminary Limited Offering Memorandum”);

(iv) a form of Continuing Disclosure Agreement (the “Continuing Disclosure Agreement”), among the District, NNP-Southbend II, LLC, and Rizzetta & Company, Incorporated, as dissemination agent (the “Dissemination Agent”), attached hereto as **Exhibit D**; and

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Supervisors of Waterset South Community Development District, as follows:

**Section 1. Definitions.** All words and phrases used herein in capitalized form, unless otherwise defined herein, shall have the meanings ascribed to them in the Indenture.

**Section 2. Authorization.** There are hereby authorized and directed to be issued the Series 2024 Bonds, in the aggregate principal amount of not to exceed \$10,500,000, for the purpose, among others, of providing funds for the payment of a portion of the Costs of the Series 2024 Project. The purchase price of the Series 2024 Bonds shall be received and receipted by the District, or the Trustee on behalf of the District, and the Trustee shall apply the proceeds of the Series 2024 Bonds as set forth in the Second Supplement and the Limited Offering Memorandum (as defined below). The Series 2024 Bonds shall be dated, have such interest payment dates, have such maturities, have such redemption provisions and bear interest at such rates, all as provided in the Indenture.

**Section 3. Second Supplement.** The Second Supplement is hereby approved in substantially the form attached hereto as **Exhibit A** and the Chair or the Vice Chair of the Board is hereby authorized and directed to execute and deliver such Second Supplement 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/or approved by the Chair or the Vice Chair executing the same, such execution to be conclusive evidence of such approval.

**Section 4. Appointment of Underwriter; Negotiated Sale.** MBS Capital Markets, LLC (the "Underwriter") is hereby appointed as the underwriter for the Series 2024 Bonds. The Series 2024 Bonds shall be sold pursuant to a negotiated sale to the Underwriter. It is hereby determined by the Board that a negotiated sale of the Series 2024 Bonds to the Underwriter is in the best interests 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 2024 Bonds at presently favorable interest rates, and because the nature of the security for the Series 2024 Bonds and the source(s) of payment of Debt Service on the Series 2024 Bonds requires the participation of the Underwriter in structuring the Series 2024 Bond issue.

**Section 5. Purchase Contract.** The Board hereby approves the Purchase Contract submitted by the Underwriter in substantially the form attached hereto as **Exhibit B**. The Chair or Vice Chair of the Board is hereby authorized to execute the Purchase Contract and to deliver the Purchase Contract to the Underwriter with such changes, amendments, modifications, omissions and additions as may be approved by the executing Chair or Vice Chair; provided, however, that (i) the principal amount of the Series 2024 Bonds shall not exceed \$10,500,000, (ii) the average net interest cost on the Series 2024 Bonds shall not exceed the maximum allowable by Section 215.84, Florida Statutes, (iii) the Series 2024 Bonds shall have a maturity date no later than May 1, 2055, or as provided by law, and (iv) the Underwriter's discount shall not exceed two percent (2.00%) of the aggregate principal amount of the Series 2024 Bonds. Execution by the Chair or Vice Chair of the Purchase Contract shall be deemed to be conclusive evidence of approval of such changes.

**Section 6. Preliminary Limited Offering Memorandum; Final Limited Offering Memorandum.** The Board hereby approves the form of the Preliminary Limited Offering Memorandum attached hereto as **Exhibit C** and authorizes its distribution and use in connection with the limited offering for the sale of the Series 2024 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 Chair or Vice Chair is hereby authorized to approve such insertions, changes and modifications, and the Chair or Vice Chair is hereby authorized to deem the Preliminary Limited Offering Memorandum “final” within the meaning of Rule 15c2-12 of the Securities Exchange Act of 1934 (the “Rule”). The preparation of a final Limited Offering Memorandum is hereby authorized and approved and the Chair or Vice Chair is hereby authorized to execute such final Limited Offering Memorandum to be dated the date of the award of the Series 2024 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 2024 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 Chair or Vice Chair as necessary to conform to the details of the final pricing of the Series 2024 Bonds and such other insertions, modifications and changes as may be approved by the Chair or Vice Chair.

**Section 7. Continuing Disclosure.** The Board does hereby authorize and approve the execution and delivery of the Continuing Disclosure Agreement by the Chair or Vice Chair in substantially the form attached hereto as **Exhibit D**. The Continuing Disclosure Agreement is being executed by the District in order to assist the Underwriter in complying with the Rule. Rizzetta & Company, Incorporated, is hereby appointed as the initial Dissemination Agent to perform the duties required under the Continuing Disclosure Agreement.

**Section 8. Appointment of Trustee, Paying Agent, and Bond Registrar.** U.S. Bank Trust Company, National Association is hereby appointed to serve as Trustee, Paying Agent, and Bond Registrar under the Indenture.

**Section 9. Open Meetings.** It is found and determined that all formal actions of the Board concerning and relating to the adoption of this Resolution were taken in an open meeting of the members of the Board and that all deliberations of the members of the Board which resulted in such formal action were taken in meetings open to the public, in full compliance with all legal requirements.

**Section 10. Further Official Action; Ratification of Prior Acts.** The Chair, the Vice Chair, the Secretary, any Assistant Secretary or member of the Board, Rizzetta & Company, Incorporated, in its capacity as District Manager, and any other proper official of the District (each a “District Officer”) and any authorized designee thereof, are each hereby authorized and directed to execute and deliver any and all documents and instruments (including, without limitation, any documents required by the Trustee to evidence its rights and obligations with respect to the Series 2024 Bonds, any agreements with NNP-Southbend II, LLC, and any agreements in connection with maintaining the exclusion of interest on the Series 2024 Bonds

from gross income of the holders thereof) and to do and cause to be done any and all acts and things necessary or desirable for carrying out the transactions contemplated by this Resolution. In the event that the Chair or the Vice Chair is unable to execute and deliver the documents herein contemplated, such documents shall be executed and delivered by the designee of such officer or official or any other duly authorized officer or official of the District. Any District Officer is hereby authorized and directed to apply and attest the official seal of the District to any agreement or instrument authorized or approved herein that requires such a seal and attestation. The Chair or other District Officer may, among other things, authorize the change of the date of any document accompanying this Resolution as an exhibit or incorporate the information and details related to the sale and pricing of the Series 2024 Bonds. Execution by the Chair or other District Officer of such document shall be deemed to be conclusive evidence of approval of such change of date or the incorporation of information and details relating to the sale and pricing of the Series 2024 Bonds. All actions taken to date by any District Officer and the agents and employees of the District in furtherance of the issuance of the Series 2024 Bonds are hereby approved, confirmed and ratified.

**Section 11. 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 12. Inconsistent Proceedings.** All resolutions or proceedings, or parts thereof, in conflict with the provisions hereof are to the extent of such conflict hereby repealed or amended to the extent of such inconsistency.

**Section 13. Engineer's Report.** The Board hereby approves of changes to the Engineer's Report previously approved by the Board and also authorizes further revisions and supplements to the Engineer's Report with respect to the marketing and sale of the Series 2024 Bonds relating to the Series 2024 Project.

**Section 14. Assessment Methodology.** The Board authorizes further modifications and supplements to the Assessment Methodology previously approved by the Board to conform such report(s) to the marketing and sale of the Series 2024 Bonds.

**Section 15. Ratification of Master Bond Resolution.** Except to the extent hereby modified, the Master Bond Resolution of the District is hereby ratified, confirmed and approved in all respects.

**Section 16. Effective Date.** This Resolution shall take effect immediately upon its adoption.

[End of Resolution – Signature page to follow]

**PASSED** in Public Session of the Board of Supervisors of Waterset South Community Development District, this 11th day of January, 2024.

**WATERSET SOUTH  
COMMUNITY DEVELOPMENT DISTRICT**

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Secretary/Assistant Secretary

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Chair, Board of Supervisors



**EXHIBIT A**

**FORM OF SECOND SUPPLEMENT**

**EXHIBIT B**

**FORM OF PURCHASE CONTRACT**

**EXHIBIT C**

**FORM OF PRELIMINARY LIMITED OFFERING MEMORANDUM**

**EXHIBIT D**

**FORM OF CONTINUING DISCLOSURE AGREEMENT**

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**SECOND SUPPLEMENTAL TRUST INDENTURE**

**BETWEEN**

**WATERSET SOUTH COMMUNITY DEVELOPMENT DISTRICT**

**AND**

**U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,  
AS TRUSTEE**

**Dated as of February 1, 2024**

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**\$\_[\_\_\_\_\_]**

**Special Assessment Revenue Bonds, Series 2024**

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This Table of Contents is incorporated herein for ease of reference only and shall not be deemed a part of this Second Supplemental Trust Indenture.

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**SECOND SUPPLEMENTAL  
TRUST INDENTURE**

**THIS SECOND SUPPLEMENTAL TRUST INDENTURE** (this “Second Supplemental Indenture”) is dated as of February 1, 2024, between **WATERSET SOUTH COMMUNITY DEVELOPMENT DISTRICT** (the “District”) and **U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION**, as trustee (the “Trustee”), a national banking association authorized to accept and execute trusts of the character herein set forth, with its designated corporate trust office located at 225 East Robinson Street, Suite 250, Orlando, Florida 32801 Attention: Corporate Trust Department.

**WHEREAS**, pursuant to Resolution No. 2022-29 adopted by the Governing Body of the District on August 9, 2022 (the “Master Bond Resolution”), the District has authorized the issuance, sale and delivery of Bonds in an aggregate principal amount not to exceed \$170,835,000 (the “Bonds”), to be issued in one or more Series of Bonds as authorized under the Master Trust Indenture dated as of December 1, 2022, between the District and the Trustee (the “Master Indenture”), which Bonds were validated by final judgment of the Circuit Court of the Thirteenth Judicial Circuit of the State of Florida, in and for Hillsborough County, Florida rendered on October 31, 2022, the appeal period for which has expired with no appeal having been taken; and

**WHEREAS**, the Governing Body of the District duly adopted Resolution No. 2022-27, on August 9, 2022, providing for the acquisition, construction and installation of assessable capital improvements more particularly described in the Master Report of District Engineer Master Capital Improvement Plan dated August 2022, prepared by Heidt Design, LLC (the “Capital Improvement Plan”), providing estimated Costs of the Capital Improvement Plan, defining assessable property to be benefited by the Capital Improvement Plan, defining the portion of the Costs of the Capital Improvement Plan with respect to which Assessments will be imposed and the manner in which such Assessments shall be levied against such benefited property within the District, directing the preparation of an assessment roll, and stating the intent of the District to issue Bonds of the District secured by such Assessments to finance a portion of the costs of the acquisition, construction and installation of the Capital Improvement Plan, and the Governing Body of the District duly adopted Resolution No. 2022-30, on September 13, 2022, following a public hearing conducted in accordance with the Act, to fix and establish the Assessments and the benefited property, which Resolution will be supplemented by a supplemental assessment resolution conforming the Series 2024 Assessments (hereinafter defined) to the final pricing of the Series 2024 Bonds (hereinafter defined); and

**WHEREAS**, pursuant to Resolution No. 2024-[\_\_\_], adopted by the Governing Body of the District on January 11, 2024, the District has authorized the issuance, sale and delivery of its \$[\_\_\_\_\_] Waterset South Community Development District Special Assessment Revenue Bonds, Series 2024 (the “Series 2024 Bonds”) which are issued hereunder as a Series of Bonds under, and as defined in, the Master Indenture, and has reaffirmed the Master Indenture and authorized the execution and delivery of this Second Supplemental Indenture to secure the issuance of the Series 2024 Bonds and to set forth the terms of the Series 2024 Bonds; and



**WHEREAS**, the District will apply the proceeds of the Series 2024 Bonds to: (i) finance a portion of the Cost of the Series 2024 Project (as more particularly described in the Supplemental District Engineer’s Report Series 2024 Project (2024 Assessment Area) dated [\_\_\_\_\_, 2024], prepared by Heidt Design, LLC, and attached hereto as Exhibit A); (ii) pay certain costs associated with the issuance of the Series 2024 Bonds; (iii) make a deposit into the Series 2024 Reserve Account to be held for the benefit of all of the Series 2024 Bonds, without privilege or priority of one Series 2024 Bond over another; and (iv) pay a portion of the interest to become due on the Series 2024 Bonds; and

**WHEREAS**, the Series 2024 Bonds will be payable from and secured by Assessments imposed, levied and collected by the District with respect to property within the District specially benefited by the Series 2024 Project (the “Series 2024 Assessments”), which, together with the Series 2024 Pledged Funds (hereinafter defined) will comprise the Trust Estate securing the Series 2024 Bonds (the “Series 2024 Trust Estate”), which shall constitute a “Series Trust Estate” as defined in the Master Indenture; and

**WHEREAS**, the execution and delivery of the Series 2024 Bonds and of this Second Supplemental Indenture have been duly authorized by the Governing Body of the District and all things necessary to make the Series 2024 Bonds, when executed by the District and authenticated by the Trustee, valid and binding legal obligations of the District and to make this Second Supplemental Indenture a valid and binding agreement and, together with the Master Indenture, a valid and binding lien on the Series 2024 Trust Estate have been done;

**NOW THEREFORE, KNOW ALL MEN BY THESE PRESENTS, THIS SECOND SUPPLEMENTAL TRUST INDENTURE WITNESSETH:**

That the District, in consideration of the premises, the acceptance by the Trustee of the trusts hereby created, the mutual covenants herein contained, the purchase and acceptance of the Series 2024 Bonds by the purchaser or purchasers thereof, and other good and valuable consideration, receipt of which is hereby acknowledged, and in order to further secure the payment of the principal and Redemption Price of, and interest on, all Series 2024 Bonds Outstanding (as defined in the Master Indenture) from time to time, according to their tenor and effect, and such other payments required to be made under the Master Indenture or hereunder, and such other payments due under any Letter of Credit Agreement or Liquidity Agreement (as defined in the Master Indenture), and to further secure the observance and performance by the District of all the covenants, expressed or implied in the Master Indenture, in this Second Supplemental Indenture and in the Series 2024 Bonds: (a) has executed and delivered this Second Supplemental Indenture and (b) does hereby, in confirmation of the Master Indenture, grant, bargain, sell, convey, transfer, assign and pledge unto the Trustee, and unto its successors in the trusts established under the Master Indenture, and to them and their successors and assigns forever, all right, title and interest of the District, in, to and under, subject to the terms and conditions of the Master Indenture and the provisions of the Master Indenture pertaining to the application thereof for or to the purposes and on the terms set forth in the Master Indenture the revenues received by the District from the Series 2024 Assessments (the “Series 2024 Pledged

Revenues”) and the Funds and Accounts (except for the Series 2024 Rebate Account) established hereby (the “Series 2024 Pledged Funds”) which shall comprise a part of the Series 2024 Trust Estate;

**TO HAVE AND TO HOLD** all the same by the Master Indenture granted, bargained, sold, conveyed, transferred, assigned and pledged, or agreed or intended so to be, to the Trustee and its successors in said trust and to it and its assigns forever;

**IN TRUST NEVERTHELESS**, except as in each such case may otherwise be provided in the Master Indenture, upon the terms and trusts in the Indenture set forth for the equal and proportionate benefit, security and protection of all and singular the present and future Owners of the Series 2024 Bonds issued or to be issued under and secured by this Second Supplemental Indenture, without preference, priority or distinction as to lien or otherwise, of any one Series 2024 Bond over any other Series 2024 Bond by reason of priority in their issue, sale or execution;

**PROVIDED FURTHER HOWEVER**, that if the District, its successors or assigns, shall well and truly pay, or cause to be paid, or make due provision for the payment of the principal and Redemption Price of the Series 2024 Bonds or any Series 2024 Bond of a particular maturity issued, secured and Outstanding under this Second Supplemental Indenture and the interest due or to become due thereon, at the times and in the manner mentioned in the Series 2024 Bonds and this Second Supplemental Indenture, according to the true intent and meaning thereof, and shall well and truly keep, perform and observe all the covenants and conditions pursuant to the terms of the Master Indenture and this Second Supplemental Indenture to be kept, performed and observed by it, and shall pay or cause to be paid to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions of the Master Indenture and this Second Supplemental Indenture, then upon such final payments, this Second Supplemental Indenture and the rights hereby granted shall cease and terminate, with respect to all Series 2024 Bonds or any Series 2024 Bond of a particular maturity, otherwise this Second Supplemental Indenture shall remain in full force and effect;

**THIS SECOND SUPPLEMENTAL INDENTURE FURTHER WITNESSETH**, and it is expressly declared, that all Series 2024 Bonds issued and secured hereunder are to be issued, authenticated and delivered and all of the rights and property pledged to the payment thereof are to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as in the Master Indenture (except as amended directly or by implication by this Second Supplemental Indenture), including this Second Supplemental Indenture, expressed, and the District has agreed and covenanted, and does hereby agree and covenant, with the Trustee and with the respective Owners, from time to time, of the Series 2024 Bonds, as follows:

## ARTICLE I DEFINITIONS

**Section 101. Definitions.** All terms used herein that are defined in the recitals hereto are used with the same meaning herein unless the context clearly requires otherwise. All terms used herein that are defined in the Master Indenture are used with the same meaning herein (including the use of such terms in the recitals hereto and the granting clauses hereof) unless (i) expressly given a different meaning herein or (ii) the context clearly requires otherwise. In addition, unless the context clearly requires otherwise, the following terms used herein shall have the following meanings:

*“Acquisition Agreement”* shall mean the [Amended and Restated Acquisition Agreement, dated as of February \_\_, 2024], between the District and the Developer.

*“Assessment Methodology”* shall mean, collectively, the Master Special Assessment Allocation Report dated August 9, 2022, as supplemented by the [Final Supplemental Special Assessment Allocation Report [Special Assessment Revenue Bonds, Series 2024]], dated January [\_\_], 2024.

*“Authorized Denomination”* shall mean, with respect to the Series 2024 Bonds, \$5,000 or any integral multiple thereof; provided however, that the Series 2024 Bonds shall be delivered to the initial purchasers thereof in minimum aggregate principal amounts of \$100,000 and integral multiples of Authorized Denominations in excess of \$100,000.

*“Bond Depository”* shall mean the securities depository from time to time under Section 201 hereof, which may be the District.

*“Bond Participants”* shall mean those broker-dealers, banks and other financial institutions from time to time for which the Bond Depository holds Bonds as securities depository.

*“Capital Improvement Plan”* shall mean the program of assessable capital improvements established by the District in the Series 2024 Assessment Proceedings.

*“Collateral Assignment”* shall mean the [Collateral Assignment and Assumption of Development and Contract Rights Relating to the Capital Improvement Program - Series 2024 Project], dated as of February \_\_, 2024, by the Developer in favor of the District.

*“Completion Agreement”* shall mean the [Agreement Regarding the Completion of Certain Improvements Relating to the Series 2024 Project, dated as of February \_\_, 2024], between the District and the Developer.

*“Declaration of Consent”* shall mean the [Declaration of Consent to Jurisdiction of Waterset South Community Development District and to Imposition of Special Assessments], dated February \_\_, 2024, by the Developer.

*“Delinquent Assessment Interest”* shall mean Series 2024 Assessment Interest deposited by the District with the Trustee on or after May 1 of the year in which such Series 2024 Assessment Interest has, or would have, become delinquent under State law applicable thereto.

*“Delinquent Assessment Principal”* shall mean Series 2024 Assessment Principal deposited by the District with the Trustee on or after May 1 of the year in which such Series 2024 Assessment Principal has, or would have, become delinquent under State law applicable thereto.

*“Delinquent Assessments”* shall mean Delinquent Assessment Principal and Delinquent Assessment Interest.

*“Developer”* shall mean NNP-Southbend II, LLC, a Delaware liability partnership, and its successors and assigns.

*“DTC”* shall mean The Depository Trust Company, New York, New York.

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

*“Nominee”* shall mean the nominee of the Bond Depository, which may be the Bond Depository, as determined from time to time pursuant to this Second Supplemental Indenture.

*“Quarterly Redemption Date”* shall mean each February 1, May 1, August 1, and November 1.

*“Reserve Account Release Conditions”* shall mean, collectively, that (i) all residential units/homes subject to the Series 2024 Assessments have been built, sold and closed with end-users, (ii) all Series 2024 Assessments are being collected pursuant to the Uniform Method, and (iii) there are no Events of Default occurring or continuing under the Indenture with respect to the Series 2024 Bonds. An Authorized Officer shall provide a written certification to the Trustee certifying that the events in clauses (i) and (ii) have occurred and affirming clause (iii), on which certifications the Trustee may conclusively rely (collectively, the “Reserve Release Certifications”).

*“Series 2024 Assessment Proceedings”* shall mean the proceedings of the District with respect to the establishment, levy and collection of the Series 2024 Assessments which include Resolution Nos. 2022-27, 2022-28, 2022-30 and 2024-[\_], adopted by the Governing Body of the District, and any supplemental proceedings undertaken by the District with respect to the Series 2024 Assessments and the Assessment Methodology as approved thereby.

*“Series 2024 Assessments”* shall mean the principal and interest of Series 2024 Assessments received by the District which correspond to the principal of and interest on the Series 2024 Bonds.

*“Series 2024 Assessment Interest”* shall mean the interest on the Series 2024 Assessments which is pledged to the Series 2024 Bonds.

*“Series 2024 Assessment Principal”* shall mean the principal amount of Series 2024 Assessments received by the District which represents a proportionate amount of the principal of and Amortization Installments of the Series 2024 Bonds, other than applicable Delinquent Assessment Principal and Series 2024 Prepayment Principal.

*“Series 2024 Pledged Funds”* shall mean all of the Funds and Accounts created hereby with the Trustee, including the subaccounts therein, other than the Series 2024 Rebate Account in the Rebate Fund.

*“Series 2024 Pledged Revenues”* shall mean the revenues received by the District from the Series 2024 Assessments, including proceeds from any foreclosure of the lien of Delinquent Assessments and any statutory interest on the Delinquent Assessments collected by the District in excess of the rate of interest on the Series 2024 Bonds.

*“Series 2024 Prepayment Principal”* shall mean the excess amount of Series 2024 Assessment Principal received by the District over the Series 2024 Assessment Principal included within a Series 2024 Assessment appearing on any outstanding and unpaid tax bill, whether or not mandated to be prepaid in accordance with the Series 2024 Assessment Proceedings. Anything herein or in the Master Indenture to the contrary notwithstanding, the term Series 2024 Prepayment Principal shall not mean the proceeds of any Refunding Bonds or other borrowing of the District.

*“Series 2024 Project”* shall mean the portion of the Capital Improvement Plan more particularly described in the Supplemental District Engineer’s Report Series 2024 Project (2024 Assessment Area), dated [\_\_\_\_\_, 2024], attached hereto as Exhibit A, a portion of which will be financed with proceeds of the Series 2024 Bonds.

*“Series 2024 Reserve Account Requirement”* shall mean, until such time as the Reserve Account Release Conditions are met, an amount equal to fifty percent (50%) of the Maximum Annual Debt Service Requirement for all Outstanding Series 2024 Bonds as of the time of any such calculation, which on the date of issuance of the Series 2024 Bonds is equal to \$[\_\_\_\_\_]. Upon receipt by the Trustee of the Reserve Release Certifications and thereafter, the Series 2024 Reserve Account Requirement shall mean an amount equal to ten percent (10%) of the Maximum Annual Debt Service Requirement for all Outstanding Series 2024 Bonds as of the time of any such calculation. Excess amounts on deposit in the Series 2024 Reserve Account as a result of the deposit of Series 2024 Prepayment Principal and/or as a result of the Reserve Account Release Conditions having been met shall be transferred, as directed by an Authorized Officer, as provided in Section 405 hereof.

*“Substantially Absorbed”* shall mean the date on which the principal amount of the Series 2024 Assessments equaling at least ninety percent (90%) of the then-Outstanding principal amount of the Series 2024 Bonds is levied on tax parcels within the District with respect to which

a certificate of occupancy has been issued for a structure thereon and are owned by end users, as certified by an Authorized Officer and upon which the Trustee may conclusively rely.

*“Tri-Party Agreement”* shall mean, collectively, the [Tri-Party Agreement Relating to Acknowledgment of Jurisdiction, Imposition of Special Assessments, and Subordination of Interests, dated as of February \_\_, 2024, between the District, the Developer, and NASH Financing LLC and the Tri-Party Agreement Relating to Acknowledgment of Jurisdiction, Imposition of Special Assessments, and Subordination of Interests, dated as of February \_\_, 2024], between the District, the Developer, and Suburban Land Reserve, Inc.

*“True-Up Agreement”* shall mean the [Agreement Regarding the True-Up and Payment of Series 2024 Assessments], dated as of February \_\_, 2024, between the District and the Developer.

*“Underwriter”* shall mean MBS Capital Markets, LLC.

## ARTICLE II

### AUTHORIZATION, ISSUANCE AND PROVISIONS OF SERIES 2024 BONDS

**Section 201. Authorization of Series 2024 Bonds; Book-Entry Only Form.** The Series 2024 Bonds are hereby authorized to be issued for the purposes enumerated in the recitals hereto in one Series designated “\$[\_\_\_\_\_] Waterset South Community Development District Special Assessment Revenue Bonds, Series 2024.” The Series 2024 Bonds shall be substantially in the form set forth as Exhibit B to this Second Supplemental Indenture. Each Series 2024 Bond shall bear the designation “2024R” and shall be numbered consecutively from 1 upwards.

The Series 2024 Bonds shall be initially issued in the form of a separate single certificated fully registered Series 2024 Bond for each maturity thereof. Upon initial issuance, the ownership of each such Series 2024 Bond shall be registered in the registration books kept by the Bond Registrar in the name of Cede & Co., as Nominee of DTC, the initial Bond Depository. Except as provided in this Section 201, all of the Outstanding Series 2024 Bonds shall be registered in the registration books kept by the Bond Registrar in the name of Cede & Co., as Nominee of DTC.

With respect to Series 2024 Bonds registered in the registration books kept by the Bond Registrar in the name of Cede & Co., as Nominee of DTC, the District, the Trustee, the Bond Registrar and the Paying Agent shall have no responsibility or obligation to any such Bond Participant or to any indirect Bond Participant. Without limiting the immediately preceding sentence, the District, the Trustee, the Bond Registrar and the Paying Agent shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any Bond Participant with respect to any ownership interest in the Series 2024 Bonds, (ii) the delivery to any Bond Participant or any other person other than an Owner, as shown in the registration books kept by the Bond Registrar, of any notice with respect to the Series 2024 Bonds, including any notice of redemption, or (iii) the payment to any Bond Participant or any other person, other than an Owner, as shown in the registration books kept by the Bond Registrar, of any amount with respect to principal of, premium, if any, or interest on the Series 2024 Bonds.

The District, the Trustee, the Bond Registrar and the Paying Agent shall treat and consider the person in whose name each Series 2024 Bond is registered in the registration books kept by the Bond Registrar as the absolute Owner of such Series 2024 Bond for the purpose of payment of principal, premium and interest with respect to such Series 2024 Bond, for the purpose of giving notices of redemption and other matters with respect to such Series 2024 Bond, for the purpose of registering transfers with respect to such Series 2024 Bond, and for all other purposes whatsoever. The Paying Agent shall pay all principal of, premium, if any, and interest on the Series 2024 Bonds only to or upon the order of the respective Owners, as shown in the registration books kept by the Bond Registrar, or their respective attorneys duly authorized in writing, as provided herein and all such payments shall be valid and effective to fully satisfy and discharge the District’s obligations with respect to payment of principal of, premium, if any, and interest on the Series 2024 Bonds to the extent of the sum or sums so paid. No person other than an Owner, as shown in the registration books kept by the Bond Registrar, shall receive a certificated Series 2024 Bond evidencing the obligation of the District to make payments of principal, premium, if any, and interest pursuant to the provisions hereof. Upon delivery by DTC to the District of written notice to the effect that DTC has determined to substitute a new Nominee in place of Cede & Co., and subject to the provisions herein with respect to Record Dates, the words “Cede & Co.” in this Second Supplemental Indenture shall refer to such new Nominee of DTC; and upon receipt of such a notice the District shall promptly deliver a copy of the same to the Trustee, Bond Registrar and the Paying Agent.

Upon receipt by the Trustee or the District of written notice from DTC: (i) confirming that DTC has received written notice from the District to the effect that a continuation of the requirement that all of the Outstanding Series 2024 Bonds be registered in the registration books kept by the Bond Registrar in the name of Cede & Co., as Nominee of DTC, is not in the best interest of the Beneficial Owners of the Series 2024 Bonds or (ii) to the effect that DTC is unable or unwilling to discharge its responsibilities and no substitute Bond Depository can be found which is willing and able to undertake the functions of DTC hereunder upon reasonable and customary terms, the Series 2024 Bonds shall no longer be restricted to being registered in the registration books kept by the Bond Registrar in the name of Cede & Co., as Nominee of DTC, but may be registered in whatever name or names Owners transferring or exchanging the Series 2024 Bonds shall designate, in accordance with the provisions hereof.

**Section 202. Terms.** The Series 2024 Bonds shall be issued as [four (4)] Term Bonds, shall be dated as of the date of their issuance and delivery to the initial purchasers thereof, shall bear interest at the fixed interest rates per annum and shall mature in the amounts and on the dates set forth below:

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

**Section 203. Dating and Interest Accrual.** Each Series 2024 Bond shall be dated February [\_\_], 2024. Each Series 2024 Bond also shall bear its date of authentication. Each Series 2024 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: (i) is an Interest Payment Date to which interest on such Series 2024 Bond has been paid, in which event such Series 2024 Bond shall bear interest from its date of authentication; or (ii) is prior to the first Interest Payment Date for the Series 2024 Bonds, in which event, such Series 2024 Bond shall bear interest from its date. Interest on the Series 2024 Bonds shall be due and payable on each May 1 and November 1, commencing May 1, 2024, and shall be computed on the basis of a 360-day year of twelve 30-day months.

**Section 204. Denominations.** The Series 2024 Bonds shall be issued in Authorized Denominations; provided, however, that the Series 2024 Bonds shall be delivered to the initial purchasers thereof in minimum aggregate principal amounts of \$100,000 and integral multiples of Authorized Denominations in excess of \$100,000.

**Section 205. Paying Agent.** The District appoints the Trustee as Paying Agent for the Series 2024 Bonds.

**Section 206. Bond Registrar.** The District appoints the Trustee as Bond Registrar for the Series 2024 Bonds.

**Section 207. Conditions Precedent to Issuance of Series 2024 Bonds.** In addition to complying with the requirements set forth in the Master Indenture in connection with the issuance of the Series 2024 Bonds, all the Series 2024 Bonds shall be executed by the District for delivery to the Trustee and thereupon shall be authenticated by the Trustee and delivered to the District or upon its order, but only upon the further receipt by the Trustee of:

- (a) Certified copies of the Series 2024 Assessment Proceedings;
- (b) Executed copies of the Master Indenture and this Second Supplemental Indenture;
- (c) A customary Bond Counsel opinion;
- (d) The opinion of counsel to the District required by the Master Indenture;
- (e) A certificate of an Authorized Officer to the effect that, upon the authentication and delivery of the Series 2024 Bonds, the District will not be in default in the performance of the terms and provisions of the Master Indenture or this Second Supplemental Indenture;
- (f) An Engineer's Certificate which sets forth certain matters with respect to the Capital Improvement Plan and/or the Series 2024 Project;



(g) A copy of the final judgment of validation in respect of the Bonds together with a certificate of no appeal; and

(h) Executed copies of the [Acquisition Agreement, Collateral Assignment, Completion Agreement, Declaration of Consent, Tri-Party Agreement, and True-Up Agreement].

Payment to the Trustee of \$[\_\_\_\_\_] upon the initial issuance of the Series 2024 Bonds shall conclusively evidence that the foregoing conditions precedent have been met to the satisfaction of the District and the Underwriter.

### **ARTICLE III REDEMPTION OF SERIES 2024 BONDS**

**Section 301. Bonds Subject to Redemption; Notice of Redemption.** The Series 2024 Bonds are subject to redemption prior to maturity as provided in the form thereof set forth as Exhibit B to this Second Supplemental Indenture. Interest on Series 2024 Bonds which are called for redemption shall be paid on the date of redemption from the Series 2024 Interest Account or Series 2024 Revenue Account to the extent monies in the Series 2024 Interest Account are insufficient for such purpose. Notice of redemption shall be given as provided in the Master Indenture.

### **ARTICLE IV DEPOSIT OF SERIES 2024 BOND PROCEEDS AND APPLICATION THEREOF; ESTABLISHMENT OF ACCOUNTS AND OPERATION THEREOF**

**Section 401. Establishment of Accounts.** There are hereby established, as needed, the following Funds and Accounts.

(a) There are hereby established within the Acquisition and Construction Fund held by the Trustee: (i) a Series 2024 Acquisition and Construction Account; and (ii) a Series 2024 Costs of Issuance Account.

(b) There are hereby established within the Debt Service Fund held by the Trustee: (i) a Series 2024 Debt Service Account and therein a Series 2024 Sinking Fund Account, a Series 2024 Interest Account and a Series 2024 Capitalized Interest Account; and (ii) a Series 2024 Redemption Account and therein a Series 2024 Prepayment Subaccount and a Series 2024 Optional Redemption Subaccount;

(c) There is hereby established within the Reserve Fund held by the Trustee a Series 2024 Reserve Account, which Series 2024 Reserve Account shall be held for the benefit of all Series 2024 Bonds, without distinction as to Series 2024 Bonds and without privilege or priority of one Series 2024 Bond over another;

(d) There is hereby established within the Revenue Fund held by the Trustee a Series 2024 Revenue Account; and

(e) There is hereby established within the Rebate Fund held by the Trustee a Series 2024 Rebate Account.

**Section 402. Use of Series 2024 Bond Proceeds.** The net proceeds of the sale of the Series 2024 Bonds, in the amount of \$[\_\_\_\_\_] (consisting of \$[\_\_\_\_\_] aggregate principal amount of Series 2024 Bonds, [less/plus] [net] original issue [discount/premium] of \$[\_\_\_\_\_] and less Underwriter's discount of \$[\_\_\_\_\_]), shall as soon as practicable upon the delivery thereof to the Trustee by the District pursuant to Section 207 of the Master Indenture, be applied as follows:

(a) \$[\_\_\_\_\_] , representing the Series 2024 Reserve Account Requirement at the time of issuance of the Series 2024 Bonds, shall be deposited to the Series 2024 Reserve Account;

(b) \$[\_\_\_\_\_] , representing the costs of issuance relating to the Series 2024 Bonds, shall be deposited to the credit of the Series 2024 Costs of Issuance Account;

(c) \$[\_\_\_\_\_] , representing interest on the Series 2024 Bonds due through November 1, 2024, shall be deposited to the credit of the Series 2024 Capitalized Interest Account; and

(c) \$[\_\_\_\_\_] shall be deposited to the credit of the Series 2024 Acquisition and Construction Account.

**Section 403. Series 2024 Acquisition and Construction Account and Series 2024 Capitalized Interest Account.**

(a) Amounts on deposit in the Series 2024 Acquisition and Construction Account shall be applied to pay Costs of the Series 2024 Project upon compliance with the requisition provisions set forth in Section 503(b) of the Master Indenture and the form attached as Exhibit A to the Master Indenture. The Trustee shall have no duty to review the requisition to determine if the amount requested is for payment of a cost permitted hereunder. Anything in the Master Indenture to the contrary notwithstanding, the Consulting Engineer shall establish a Date of Completion for the Series 2024 Project, and any balance remaining in the Series 2024 Acquisition and Construction Account (taking into account the moneys currently on deposit therein to pay any accrued but unpaid Costs of the Series 2024 Project which are required to be reserved in the Series 2024 Acquisition and Construction Account in accordance with the certificate of the Consulting Engineer delivered to the District and the Trustee establishing such Date of Completion), shall be deposited to the Series 2024 Prepayment Subaccount and applied to the extraordinary mandatory redemption of the Series 2024 Bonds in accordance with Section 301 hereof and in the manner prescribed in the form of Series 2024 Bonds set forth as Exhibit B hereto. Notwithstanding the foregoing, the District shall not establish a Date of Completion for the Series 2024 Project until after the Reserve Account Release Conditions have been satisfied and all moneys that have been transferred from the Series 2024 Reserve Account into the Series 2024 Acquisition and Construction Account as a result of such satisfaction pursuant to Section 405 hereof have been expended or the Consulting Engineer has certified in writing to the District and the Trustee that

such amount is in excess of the amount needed to complete the Series 2024 Project. At such time as there are no amounts on deposit in the Series 2024 Acquisition and Construction Account and either the Reserve Account Release Conditions have been met or the Date of Completion of the Series 2024 Project has been established, the Series 2024 Acquisition and Construction Account shall be closed.

(b) Amounts on deposit in the Series 2024 Capitalized Interest Account shall, until and including November 1, 2024, be transferred into the Series 2024 Interest Account and applied to the payment of interest first coming due on the Series 2024 Bonds, and following November 1, 2024, shall be transferred into the Series 2024 Acquisition and Construction Account, whereupon the Series 2024 Capitalized Interest Account shall be closed.

**Section 404. Costs of Issuance Account.** The amount deposited in the Series 2024 Costs of Issuance Account shall, at the written direction of an Authorized Officer of the District, be used to pay the costs of issuance relating to the Series 2024 Bonds. On the date of issuance of the Series 2024 Bonds, initial costs of issuance shall be paid pursuant to the instructions in the closing memorandum prepared by the Underwriter and signed by an Authorized Officer of the District. On the earlier to occur of: (x) the written direction of an Authorized Officer of the District or (y) three (3) months from the date of issuance of the Series 2024 Bonds, any amounts deposited in the Series 2024 Costs of Issuance Account which have not been requisitioned shall be transferred over and deposited into the Series 2024 Acquisition and Construction Account and used for the purposes permitted therefor, whereupon the Series 2024 Costs of Issuance Account shall be closed.

**Section 405. Series 2024 Reserve Account.** The Series 2024 Reserve Account shall be funded and maintained at all times in an amount equal to the Series 2024 Reserve Account Requirement. Except as otherwise provided herein or in the Master Indenture, amounts on deposit in the Series 2024 Reserve Account shall be used only for the purpose of making payments into the Series 2024 Interest Account and the Series 2024 Sinking Fund Account to pay Debt Service on the Series 2024 Bonds, when due, to the extent the moneys on deposit in such Accounts and available therefor are insufficient and for no other purpose. The Series 2024 Reserve Account shall consist only of cash and Investment Obligations.

Upon satisfaction of the Reserve Account Release Conditions, an Authorized Officer of the District shall provide the Reserve Release Certifications to the Trustee, upon which certifications the Trustee may conclusively rely, and thereupon an Authorized Officer of the District shall recalculate the Series 2024 Reserve Account Requirement and instruct the Trustee to transfer any excess as a result of having met the Reserve Account Release Conditions to the Series 2024 Acquisition and Construction Account to be used for the purposes of such Account unless the Series 2024 Acquisition and Construction Account has been closed in which case such excess shall be transferred to the Series 2024 Prepayment Subaccount.

On the forty-fifth (45<sup>th</sup>) day preceding each Quarterly Redemption Date (or, if such forty-fifth (45<sup>th</sup>) day is not a Business Day, on the first Business Day preceding such forty-fifth (45<sup>th</sup>)

day), the District shall recalculate the Series 2024 Reserve Account Requirement taking into account any Series 2024 Prepayment Principal on deposit in the Series 2024 Prepayment Subaccount of the Series 2024 Redemption Account and shall direct the Trustee in writing to transfer any amount on deposit in the Series 2024 Reserve Account in excess of the Series 2024 Reserve Account Requirement as a result of such Series 2024 Prepayment Principal to the Series 2024 Prepayment Subaccount as a credit against the Prepayment otherwise required to be made by the owner of such lot or parcel. Following the foregoing transfer, such amounts in the Series 2024 Prepayment Subaccount shall be applied to the extraordinary mandatory redemption of the Series 2024 Bonds on the earliest date permitted for redemption therein and herein. The Trustee is authorized to make such transfers and has no duty to verify such calculations.

On the earliest date on which there is on deposit in the Series 2024 Reserve Account, sufficient monies, after taking into account other monies available therefor, to pay and redeem all of the Outstanding Series 2024 Bonds, together with accrued interest on such Series 2024 Bonds to the earliest date of redemption permitted therein and herein, then the Trustee shall transfer the amount on deposit in the Series 2024 Reserve Account into the Series 2024 Prepayment Subaccount in the Series 2024 Redemption Account to pay and redeem all of the Outstanding Series 2024 Bonds on the earliest date permitted for redemption therein and herein.

Anything in the Master Indenture or herein to the contrary notwithstanding, amounts on deposit in the Series 2024 Reserve Account shall, upon the occurrence and continuance of an Event of Default, be subject to a first charge by the Trustee for its fees and expenses, including fees and expenses of collection of Delinquent Assessments.

**Section 406. Amortization Installments.** (a) The Amortization Installments established for the Series 2024 Bonds shall be as set forth in the form of Series 2024 Bonds attached hereto.

(b) Upon any redemption of Series 2024 Bonds (other than Series 2024 Bonds redeemed in accordance with scheduled Amortization Installments and other than Series 2024 Bonds redeemed at the direction of the District accompanied by a cash flow certificate as required by Section 506(b) of the Master Indenture), the District shall cause the Amortization Installments for the Outstanding Series 2024 Bonds to be recalculated in such manner as shall amortize all of the Outstanding Series 2024 Bonds in substantially equal annual installments of principal and interest (subject to rounding to Authorized Denominations of principal) over the remaining term of each Series 2024 Bond.

**Section 407. Tax Covenants and Rebate Account.** The District shall comply with the Tax Regulatory Covenants set forth in the tax certificate of the District issued in connection with the issuance of the Series 2024 Bonds, as amended and supplemented from time to time in accordance with their terms.

**Section 408. Series 2024 Revenue Account; Application of Revenues and Investment Earnings.** (a) The Trustee is hereby authorized and directed to deposit into the Series 2024 Revenue Account any and all amounts required to be deposited therein by this Section 408 or by

any other provision of the Master Indenture or this Second Supplemental Indenture, and any other amounts or payments specifically designated by the District pursuant to a written direction or by a Supplemental Indenture for said purpose. The Series 2024 Revenue Account shall be held by the Trustee separate and apart from all other Funds and Accounts held under the Indenture and from all other moneys of the Trustee.

(b) The Trustee shall deposit into the Series 2024 Revenue Account the Series 2024 Pledged Revenues other than Series 2024 Prepayment Principal, which shall be identified by the District to the Trustee as such in writing upon deposit and which shall be deposited into the Series 2024 Prepayment Subaccount in the Series 2024 Redemption Account, and any other revenues required by other provisions of the Indenture to be deposited therein. The Trustee may conclusively rely on the assumption that, unless otherwise instructed in writing by the District at the time of deposit to the Trustee, Series 2024 Pledged Revenues paid to the Trustee shall be deposited into the Series 2024 Revenue Account, and that Series 2024 Pledged Revenues which the District informs the Trustee constitute Series 2024 Prepayment Principal shall be deposited into the Series 2024 Prepayment Subaccount of the Series 2024 Redemption Account.

(c) On the forty-fifth (45<sup>th</sup>) day preceding each Quarterly Redemption Date with respect to the Series 2024 Bonds (or if such forty-fifth (45<sup>th</sup>) day is not a Business Day, on the Business Day preceding such forty-fifth (45<sup>th</sup>) day), the Trustee shall determine the amount on deposit in the Series 2024 Prepayment Subaccount of the Series 2024 Redemption Account and, if the balance therein is greater than zero, shall, upon written direction from the District, transfer from the Series 2024 Revenue Account for deposit into the Series 2024 Prepayment Subaccount, an amount sufficient to increase the amount on deposit therein to the next highest integral multiple of \$5,000 (provided that there are sufficient funds remaining therein to pay Debt Service coming due on the Series 2024 Bonds on the next succeeding Interest Payment Date), and shall thereupon give notice and cause the extraordinary mandatory redemption of the Series 2024 Bonds in the maximum aggregate principal amount for which moneys are then on deposit in the Series 2024 Prepayment Subaccount in accordance with the provisions for extraordinary redemption of the Series 2024 Bonds set forth in the form of Series 2024 Bonds attached hereto, Section 301 hereof, and Article III of the Master Indenture.

(d) On May 1 and November 1 (or if such May 1 or November 1 is not a Business Day, on the Business Day next preceding such May 1 or November 1), the Trustee shall first transfer from the Series 2024 Capitalized Interest Account to the Series 2024 Interest Account the lesser of (x) the amount of interest coming due on the Series 2024 Bonds on such May 1 or November 1, less the amount already on deposit therein, or (y) the amount remaining in the Series 2024 Capitalized Interest Account.

(e) Following the foregoing transfers, on each May 1 or November 1 (or if such May 1 or November 1 is not a Business Day, on the Business Day preceding such May 1 or November 1), the Trustee shall then transfer from the amounts on deposit in the Series 2024 Revenue Account to the Funds and Accounts designated below in the following amounts and in the following order of priority:

**FIRST**, to the Series 2024 Interest Account of the Series 2024 Debt Service Account, an amount equal to the amount of interest payable on all Series 2024 Bonds then Outstanding on such May 1 or November 1, less any amount transferred from the Series 2024 Capitalized Interest Account in accordance with Sections 403(b) and 408(d) hereof, and less any other amount already on deposit in the Series 2024 Interest Account not previously credited;

**SECOND**, on May 1, 2025, and each May 1 thereafter, to the Series 2024 Sinking Fund Account, the amount, if any, equal to the difference between the Amortization Installments of all Series 2024 Bonds subject to mandatory sinking fund redemption on such May 1, and the amount already on deposit in the Series 2024 Sinking Fund Account not previously credited;

**THIRD**, to the Series 2024 Reserve Account, the amount, if any, which is necessary to make the amount on deposit therein equal to the Series 2024 Reserve Account Requirement; and

**FOURTH**, the balance shall be retained in the Series 2024 Revenue Account.

(f) On any date required by the Tax Regulatory Covenants, the District shall give the Trustee written direction to, and the Trustee shall, transfer from the Series 2024 Revenue Account to the Series 2024 Rebate Account established for the Series 2024 Bonds in the Rebate Fund in accordance with the Master Indenture, the amount due and owing, if any, to the United States, which amount shall be paid, to the United States, when due, in accordance with such Tax Regulatory Covenants.

(g) Anything herein or in the Master Indenture to the contrary notwithstanding, moneys on deposit in all of the Funds and Accounts held as security for the Series 2024 Bonds shall be invested only in Investment Obligations, and further, earnings on the Series 2024 Acquisition and Construction Account, the Series 2024 Interest Account and the Series 2024 Capitalized Interest Account shall be retained, as realized, in such Accounts and used for the purposes of such Accounts. Earnings on investments in the Funds and Accounts other than the Series 2024 Reserve Account, and other than as set forth above, shall be deposited, as realized, to the credit of the Series 2024 Revenue Account and used for the purpose of such Account.

Earnings on investments in the Series 2024 Reserve Account shall be disposed of as follows:

(i) if there was no deficiency (as defined in Section 509 of the Master Indenture) in the Series 2024 Reserve Account as of the most recent date on which amounts on deposit in the Series 2024 Reserve Account were valued by the Trustee, and if no withdrawals have been made from the Series 2024 Reserve Account since such date which have created a deficiency, then earnings on investments in the Series 2024 Reserve Account shall be deposited into the Series 2024 Capitalized Interest Account through November 1, 2024, and thereafter earnings in the Series 2024 Reserve Account shall be allocated to and deposited into the Series 2024 Revenue Account and used for the purpose of such Account; and

(ii) if as of the last date on which amounts on deposit in the Series 2024 Reserve Account were valued by the Trustee there was a deficiency (as defined in Section 509 of the Master Indenture), or if after such date withdrawals have been made from the Series 2024 Reserve Account and have created such a deficiency, then earnings on investments in the Series 2024 Reserve Account shall be deposited into the Series 2024 Reserve Account until the amount on deposit therein is equal to the Series 2024 Reserve Account Requirement, and then earnings on investments in the Series 2024 Reserve Account shall be deposited into the Series 2024 Capitalized Interest Account through November 1, 2024, and thereafter shall be allocated to and deposited into the Series 2024 Revenue Account and used for the purpose of such Account.

Notwithstanding the foregoing, if there is a deficiency in the Series 2024 Reserve Account, prior to the deposit of any earnings in the Series 2024 Revenue Account, the amount of such proposed transfer shall instead be deposited into the Series 2024 Reserve Account until the balance on deposit therein is equal to the Series 2024 Reserve Account Requirement.

## ARTICLE V CONCERNING THE TRUSTEE

**Section 501. Acceptance by Trustee.** The Trustee accepts the trusts declared and provided in this Second Supplemental Indenture and agrees to perform such trusts upon the terms and conditions set forth in the Master Indenture.

**Section 502. Limitation of Trustee's Responsibility.** The Trustee shall not be responsible in any manner for the due execution of this Second Supplemental Indenture by the District or for the recitals contained herein, all of which are made solely by the District.

**Section 503. Trustee's Duties.** Nothing contained herein shall limit the rights, benefits, privileges, protection and entitlements inuring to the Trustee under the Master Indenture, including, particularly, Article VI thereof.

## ARTICLE VI ADDITIONAL BONDS

**Section 601. No Parity Bonds; Limitation on Parity Assessments.** The District covenants and agrees that so long as there are any Series 2024 Bonds Outstanding, it shall not cause or permit to be caused any lien, charge or claim against the Series 2024 Trust Estate other than Bonds issued to refund the Outstanding Series 2024 Bonds. The District further covenants and agrees that so long as the Series 2024 Assessments have not been Substantially Absorbed, it shall not issue any Additional Bonds secured by Assessments for capital projects on lands subject at such time to the Series 2024 Assessments without the consent of the Majority Owners; provided, however, that the foregoing shall not preclude the imposition of capital Assessments at any time on property subject to the Series 2024 Assessments which the District certifies are necessary for health, safety, and welfare reasons, to remediate a natural disaster, imposed prior to the issuance of the Series 2024 Bonds, or Operation and Maintenance Assessments.

## ARTICLE VII MISCELLANEOUS

**Section 701. Confirmation of Master Indenture.** As supplemented by this Second Supplemental Indenture, the Master Indenture is in all respects ratified and confirmed, and this Second Supplemental Indenture shall be read, taken and construed as a part of the Master Indenture so that all of the rights, remedies, terms, conditions, covenants and agreements of the Master Indenture, except insofar as modified herein, shall apply and remain in full force and effect with respect to this Second Supplemental Indenture and to the Series 2024 Bonds issued hereunder. To the extent of any conflict between the Master Indenture and this Second Supplemental Indenture the terms and provisions hereof shall control.

**Section 702. Continuing Disclosure Agreement.** Contemporaneously with the execution and delivery hereof, the District 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 District 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 703. Collection of Assessments.** (a) Anything herein or in the Master Indenture to the contrary notwithstanding, when permitted by law, Series 2024 Assessments levied on platted lots and pledged hereunder to secure the Series 2024 Bonds shall be collected pursuant to the "Uniform Method" prescribed by Florida Statutes and Series 2024 Assessments levied on unplatted lots and pledged hereunder to secure the Series 2024 Bonds shall be collected directly by the District pursuant to the Act and Chapters 170 and 197, Florida Statutes, and not pursuant to the Uniform Method, in each case unless otherwise directed by the Trustee acting at the direction of the Majority Owners during an Event of Default.

(b) All Series 2024 Assessments that are collected directly by the District and not via the Uniform Method shall be due and payable by the landowner no later than thirty (30) days prior to each Interest Payment Date.

**Section 704. Requisite Owners for Direction or Consent.** Anything in the Master Indenture to the contrary notwithstanding, any direction or consent or similar provision which requires fifty-one percent of the Owners, shall in each case be deemed to refer to, and shall mean, the Majority Owners.

**Section 705. Owner Direction and Consent with Respect to Series 2024 Acquisition and Construction Account Upon Occurrence of Event of Default.** In accordance with the provisions of the Indenture, the Series 2024 Bonds are secured solely by the Series 2024 Pledged Revenues and the Series 2024 Pledged Funds comprising the Series 2024 Trust Estate. Anything in the Indenture to the contrary notwithstanding, the District hereby acknowledges that (i) the Series 2024 Pledged Funds include, without limitation, all amounts on deposit in the Series 2024



Acquisition and Construction Account then held by the Trustee, (ii) upon the occurrence of an Event of Default with respect to the Series 2024 Bonds, the Series 2024 Pledged Funds may not be used by the District (whether to pay Costs of the Series 2024 Project or otherwise) without the consent of the Majority Owners, except to the extent that prior to the occurrence of the Event of Default the District had incurred a binding obligation with third parties for work on the Series 2024 Project and payment is for such work, and (iii) upon the occurrence of an Event of Default with respect to the Series 2024 Bonds, the Series 2024 Pledged Funds may be used by the Trustee, at the direction or with the approval of the Majority Owners, to pay costs and expenses incurred in connection with the pursuit of remedies under the Indenture. The District shall not enter into any binding agreement with respect to the Series 2024 Project after the occurrence of an Event of Default unless authorized in writing by the Majority Owners.

**Section 706. Additional Covenant Regarding Assessments.** In addition to, and not in limitation of, the covenants contained elsewhere in this Second Supplemental Indenture and in the Master Indenture, the District covenants to comply with the terms of the proceedings heretofore adopted with respect to the Series 2024 Assessments, including the Assessment Methodology, and to levy the Series 2024 Assessments and any required true-up payments set forth in the Assessment Methodology, in such manner as will generate funds sufficient to pay the principal of and interest on the Series 2024 Bonds, when due. The Assessment Methodology shall not be materially amended without the prior written consent of the Majority Owners.

**Section 707. Assignment of District's Rights Under Collateral Assignment.** Subject to the terms of the Collateral Assignment, and without intending to alter the same, the District hereby assigns its rights under the Collateral Assignment to the Trustee for the benefit of the Owners, from time to time, of the Series 2024 Bonds. The Trustee shall not be deemed to have accepted any obligation under the Collateral Assignment by virtue of such assignment.

**Section 708. Enforcement of True-Up Agreement and Completion Agreement.** The District, either through its own actions or actions caused to be taken through the Trustee, covenants that it shall strictly enforce all of the provisions of the Completion Agreement and the True-Up Agreement and, upon the occurrence and continuance of a default under either or both of such Agreements, the District covenants and agrees that the Trustee, at the direction of the Majority Owners, may, subject to the provisions of Section 912 of the Master Indenture, act on behalf of and in the District's stead to enforce the provisions of such Agreements and to pursue all available remedies under applicable law or in equity. Anything herein or in the Master Indenture to the contrary notwithstanding, failure of the District to enforce, or permit the Trustee to enforce in its stead, all of the provisions of the Completion Agreement and the True-Up Agreement upon demand of the Majority Owners, or the Trustee at the direction of the Majority Owners, shall constitute an Event of Default under the Indenture without benefit of any period for cure.

[Remainder of Page Intentionally Left Blank]

**IN WITNESS WHEREOF**, the Waterset South Community Development District has caused these presents to be signed in its name and on its behalf by its Chair, and its official seal to be hereunto affixed and attested by its Assistant Secretary, thereunto duly authorized, and to evidence its acceptance of the trusts hereby created, the Trustee has caused these presents to be signed in its name and on its behalf by its duly authorized Vice President.

(SEAL)

**WATERSET SOUTH  
COMMUNITY DEVELOPMENT DISTRICT**

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Deneen Klenke, Chair, Board of Supervisors

Attest:

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Ruben Durand, Assistant Secretary

[Signature Page | Second Supplemental Trust Indenture]

**U.S. BANK TRUST COMPANY, NATIONAL  
ASSOCIATION, as Trustee**

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Leanne M. Duffy, Vice President

[Signature Page | Second Supplemental Trust Indenture]

**EXHIBIT A**

**ENGINEER'S REPORT**

See the Supplemental District Engineer's Report Series 2024 Project (2024 Assessment Area), dated [\_\_\_\_\_, 2024] attached as Appendix A to the Limited Offering Memorandum for the Series 2024 Bonds dated [January \_\_, 2024].

**EXHIBIT B**

**FORM OF SERIES 2024 BONDS**

No. 2024R-\_\_

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

**United States of America**

**State of Florida**

**WATERSET SOUTH COMMUNITY DEVELOPMENT DISTRICT  
SPECIAL ASSESSMENT REVENUE BOND, SERIES 2024**

<b>Interest Rate</b>	<b>Maturity Date</b>	<b>Dated Date</b>	<b>CUSIP</b>
____%	May 1, 20__	February __, 2024	94186H __

**Registered Owner:** CEDE & CO.

**Principal Amount:** \_\_\_\_\_ DOLLARS

**WATERSET SOUTH COMMUNITY DEVELOPMENT DISTRICT**, a community development district duly established and existing pursuant to Chapter 190, Florida Statutes (the "District"), for value received, hereby promises to pay (but only out of the sources hereinafter mentioned) to the registered Owner set forth above, or registered assigns, on the maturity date shown hereon, unless this Bond shall have been called for redemption in whole or in part and payment of the Redemption Price (as defined in the Indenture hereinafter mentioned) shall have been duly made or provided for, the principal amount shown above and to pay (but only out of the sources hereinafter mentioned) interest on the outstanding principal amount hereof from the most recent Interest Payment Date to which interest has been paid or provided for, or, if no interest has been paid, from the Dated Date shown above on May 1 and November 1 of each year (each, an "Interest Payment Date"), commencing on May 1, 2024, until payment of said principal sum has been made or provided for, at the rate per annum set forth above. Notwithstanding the foregoing, if any Interest Payment Date is not a Business Day (as defined in the Indenture hereinafter mentioned), then all amounts due on such Interest Payment Date shall be payable on the first Business Day succeeding such Interest Payment Date, but shall be deemed paid on such Interest Payment Date. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in the Indenture (as hereinafter defined), be paid to the registered Owner hereof at the close of business on the regular Record Date for such interest, which shall be the fifteenth (15th) day of the calendar month next preceding such Interest Payment Date, or, if such day is not a Business Day on the Business Day immediately preceding such day; provided, however, that on or after the occurrence and continuance of an Event of Default under clause (a) of Section 902 of the Master Indenture (hereinafter defined), the payment of interest and principal or Redemption Price or Amortization Installments shall be made by the Paying Agent (hereinafter defined) to such person who, on a special record date which is fixed by the Trustee, which shall be not more than fifteen (15) and not less than ten (10) days prior to the date of such proposed payment, appears on the registration books of the Bond Registrar as

the registered Owner of this Bond. Any payment of principal, Maturity Amount or Redemption Price shall be made only upon presentation hereof at the designated corporate trust office of U.S. Bank Trust Company, National Association, located in Orlando, Florida, or any alternate or successor paying agent (collectively, the "Paying Agent"), unless the Bonds are held in the book entry system in which case presentation shall not be required. Payment of interest shall be made by check or draft (or by wire transfer to the registered Owner set forth above if such Owner requests such method of payment in writing on or prior to the regular Record Date for the respective interest payment to such account as shall be specified in such request, but only if the registered Owner set forth above owns not less than \$1,000,000 in aggregate principal amount of the Series 2024 Bonds, as defined below). Interest on this Bond will be computed on the basis of a 360-day year of twelve 30-day months. Capitalized terms used herein and not otherwise defined shall have the same meaning as set forth in the hereinafter defined Indenture.

This Bond is one of a duly authorized issue of bonds of the District designated "\$[\_\_\_\_\_] Waterset South Community Development District Special Assessment Revenue Bonds, Series 2024" (the "Series 2024 Bonds") issued as a Series under a Master Trust Indenture, dated as of December 1, 2022 (the "Master Indenture"), between the District and U.S. Bank Trust Company, National Association, located in Orlando, Florida, as trustee (the "Trustee"), as supplemented by a Second Supplemental Trust Indenture, dated as of February 1, 2024 (the "Supplemental Indenture"), between the District and the Trustee (the Master Indenture as supplemented by the Supplemental Indenture is hereinafter referred to as the "Indenture") (the Series 2024 Bonds, together with any other Bonds issued under and governed by the terms of the Master Indenture, are hereinafter collectively referred to as the "Bonds"). The District will apply the proceeds of the Series 2024 Bonds to: (i) finance a portion of the Cost of acquiring, constructing and equipping assessable improvements comprising the Series 2024 Project; (ii) pay certain costs associated with the issuance of the Series 2024 Bonds; (iii) make a deposit into the Series 2024 Reserve Account to be held for the benefit of all of the Series 2024 Bonds, without privilege or priority of one Series 2024 Bond over another; and (iv) pay a portion of the interest to become due on the Series 2024 Bonds.

NEITHER THIS BOND NOR THE INTEREST AND PREMIUM, IF ANY, PAYABLE HEREON SHALL CONSTITUTE A GENERAL OBLIGATION OR GENERAL INDEBTEDNESS OF THE DISTRICT WITHIN THE MEANING OF THE CONSTITUTION AND LAWS OF FLORIDA. THIS BOND AND THE SERIES OF WHICH IT IS A PART AND THE INTEREST AND PREMIUM, IF ANY, PAYABLE HEREON AND THEREON DO NOT CONSTITUTE EITHER A PLEDGE OF THE FULL FAITH AND CREDIT OF THE DISTRICT OR A LIEN UPON ANY PROPERTY OF THE DISTRICT OTHER THAN AS PROVIDED IN THE INDENTURE AUTHORIZING THE ISSUANCE OF THE SERIES 2024 BONDS. NO OWNER OR ANY OTHER PERSON SHALL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY AD VALOREM TAXING POWER OF THE DISTRICT OR ANY OTHER PUBLIC AUTHORITY OR GOVERNMENTAL BODY TO PAY DEBT SERVICE OR TO PAY ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE INDENTURE OR THE SERIES 2024 BONDS. RATHER, DEBT SERVICE AND ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE INDENTURE OR THE SERIES 2024 BONDS SHALL BE PAYABLE FROM,

AND SHALL BE SECURED SOLELY BY, THE SERIES 2024 TRUST ESTATE PLEDGED TO THE SERIES 2024 BONDS, ALL AS PROVIDED HEREIN AND IN THE INDENTURE.

This Bond is issued under and pursuant to the Constitution and laws of the State of Florida, particularly Chapter 190, Florida Statutes, and other applicable provisions of law and pursuant to the Indenture, executed counterparts of which Indenture are on file at the corporate trust office of the Trustee. Reference is hereby made to the Indenture for the provisions, among others, with respect to the custody and application of the proceeds of Bonds issued under the Indenture, the collection and disposition of revenues and the funds charged with and pledged to the payment of the principal, Maturity Amount and Redemption Price of, and the interest on, the Bonds, the nature and extent of the security thereby created, the covenants of the District with respect to the levy and collection of Assessments, the terms and conditions under which the Bonds are or may be issued, the rights, duties, obligations and immunities of the District and the Trustee under the Indenture and the rights of the Owners of the Bonds, and, by the acceptance of this Bond, the Owner hereof assents to all of the provisions of the Indenture. The Series 2024 Bonds are equally and ratably secured by the Series 2024 Trust Estate, without preference or priority of one Series 2024 Bond over another. The District covenants and agrees in the Supplemental Indenture that so long as there are any Series 2024 Bonds Outstanding, it shall not cause or permit to be caused any lien, charge or claim against the Series 2024 Trust Estate other than Bonds issued to refund the Outstanding Series 2024 Bonds. The District further covenants and agrees in the Supplemental Indenture that so long as the Series 2024 Assessments have not been Substantially Absorbed, it shall not issue any Additional Bonds secured by Assessments for capital projects on lands subject at such time to the Series 2024 Assessments without the consent of the Majority Owners; provided, however, that the foregoing shall not preclude the imposition of capital Assessments at any time on property subject to the Series 2024 Assessments which the District certifies are necessary for health, safety, and welfare reasons, to remediate a natural disaster, imposed prior to the issuance of the Series 2024 Bonds, or Operation and Maintenance Assessments.

The Series 2024 Bonds are issuable only as registered bonds without coupons in current interest form in denominations of \$5,000 or any integral multiple thereof (an "Authorized Denomination"); provided, however, that the Series 2024 Bonds shall be delivered to the initial purchasers thereof in minimum aggregate principal amounts of \$100,000 and integral multiples of Authorized Denominations in excess of \$100,000. This Bond is transferable by the registered Owner hereof or his duly authorized attorney at the designated corporate trust office of the Trustee in Orlando, Florida, as Bond Registrar (the "Bond Registrar"), upon surrender of this Bond, accompanied by a duly executed instrument of transfer in form and with guaranty of signature reasonably satisfactory to the Bond Registrar, subject to such reasonable regulations as the District or the Bond Registrar may prescribe, and upon payment of any taxes or other governmental charges incident to such transfer. Upon any such transfer a new Bond or Bonds, in the same aggregate principal amount as the Bond or Bonds transferred, will be issued to the transferee. At the corporate trust office of the Bond Registrar in Orlando, Florida, in the manner and subject to the limitations and conditions provided in the Master Indenture and without cost, except for any tax or other governmental charge, Bonds may be exchanged for an equal aggregate

principal amount of Bonds of the same maturity, of Authorized Denominations and bearing interest at the same rate or rates.

The Series 2024 Bonds are subject to redemption prior to maturity at the option of the District in whole or in part on any date on or after May 1, 20[\_\_\_], at the Redemption Price of the principal amount of the Series 2024 Bonds or portions thereof to be redeemed together with accrued interest to the date of redemption.

The Series 2024 Bond maturing May 1, 20[\_\_\_], is subject to mandatory redemption in part by the District by lot prior to its scheduled maturity from moneys in the Series 2024 Sinking Fund Account established under the Supplemental Indenture in satisfaction of applicable Amortization Installments at the Redemption Price of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

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

The Series 2024 Bond maturing May 1, 20[\_\_\_], is subject to mandatory redemption in part by the District by lot prior to its scheduled maturity from moneys in the Series 2024 Sinking Fund Account established under the Supplemental Indenture in satisfaction of applicable Amortization Installments at the Redemption Price of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

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

The Series 2024 Bond maturing May 1, 20[\_\_\_], is subject to mandatory redemption in part by the District by lot prior to its scheduled maturity from moneys in the Series 2024 Sinking Fund Account established under the Supplemental Indenture in satisfaction of applicable Amortization Installments at the Redemption Price of the principal amount thereof, without premium, together



with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

<b><u>May 1 of the Year</u></b>	<b><u>Amortization Installment</u></b>	<b><u>May 1 of the Year</u></b>	<b><u>Amortization Installment</u></b>
	\$		\$

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\* Maturity

The Series 2024 Bond maturing May 1, 20[\_\_\_], is subject to mandatory redemption in part by the District by lot prior to its scheduled maturity from moneys in the Series 2024 Sinking Fund Account established under the Supplemental Indenture in satisfaction of applicable Amortization Installments at the Redemption Price of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

<b><u>May 1 of the Year</u></b>	<b><u>Amortization Installment</u></b>	<b><u>May 1 of the Year</u></b>	<b><u>Amortization Installment</u></b>
	\$		\$

\*

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\* Maturity

As more particularly set forth in the Indenture, any Series 2024 Bonds that are purchased by the District with amounts held to pay an Amortization Installment will be cancelled and the principal amount so purchased will be applied as a credit against the applicable Amortization Installment of Series 2024 Bonds. Amortization Installments are also subject to recalculation, as provided in the Supplemental Indenture, as the result of the redemption of Series 2024 Bonds so as to reamortize the remaining Outstanding principal balance of the Series 2024 Bonds as set forth in the Supplemental Indenture.

The Series 2024 Bonds are subject to extraordinary mandatory redemption prior to maturity, in whole on any date or in part on any Quarterly Redemption Date, in the manner determined by the Bond Registrar at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption as follows:

- (a) on or after the Date of Completion of the Series 2024 Project, by application of moneys transferred from the Series 2024 Acquisition and Construction Account in the Acquisition

and Construction Fund established under the Indenture to the Series 2024 Prepayment Subaccount of the Series 2024 Redemption Account in accordance with the terms of the Indenture; or

(b) from amounts, including Series 2024 Prepayment Principal and any excess amounts in the Series 2024 Reserve Account as a result of the deposit of such Series 2024 Prepayment Principal, required by the Indenture to be deposited into the Series 2024 Prepayment Subaccount of the Series 2024 Redemption Account; or

(c) on the date on which the amount on deposit in the Series 2024 Reserve Account, together with other moneys available therefor, are sufficient to pay and redeem all of the Series 2024 Bonds then Outstanding, including accrued interest thereon.

If less than all of the Series 2024 Bonds shall be called for redemption, the particular Series 2024 Bonds or portions of Series 2024 Bonds to be redeemed shall, unless otherwise provided in the Indenture, be selected by lot by the Bond Registrar as provided in the Indenture.

Notice of each redemption of Series 2024 Bonds is required to be mailed by the Bond Registrar, postage prepaid, not less than thirty (30) nor more than forty-five (45) days prior to the date of redemption to each registered Owner of Series 2024 Bonds to be redeemed at the address of such registered Owner recorded on the bond register maintained by the Bond Registrar. On the date designated for redemption, notice having been given and money for the payment of the Redemption Price being held by the Paying Agent, all as provided in the Indenture, the Series 2024 Bonds or such portions thereof so called for redemption shall become and be due and payable at the Redemption Price provided for the redemption of such Series 2024 Bonds or such portions thereof on such date, interest on such Series 2024 Bonds or such portions thereof so called for redemption shall cease to accrue, such Series 2024 Bonds or such portions thereof so called for redemption shall cease to be entitled to any benefit or security under the Indenture and the Owners thereof shall have no rights in respect of such Series 2024 Bonds or such portions thereof so called for redemption except to receive payments of the Redemption Price thereof so held by the Paying Agent. Further notice of redemption shall be given by the Bond Registrar to certain registered securities depositories and information services as set forth in the Indenture, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed.

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

The Owner of this Bond shall have no right to enforce the provisions of the Master 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.

In certain events, on the conditions, in the manner and with the effect set forth in the Indenture, the principal of all the Series 2024 Bonds then Outstanding under the Indenture may become and may be declared due and payable before the stated maturities thereof, with the interest accrued thereon.

Modifications or alterations of the Master Indenture or of any indenture supplemental thereto may be made only to the extent and in the circumstances permitted by the Master Indenture.

Any moneys held by the Trustee or any Paying Agent in trust for the payment and discharge of any Bond which remain unclaimed for two (2) years after the date when such Bond has become due and payable, either at its stated maturity dates or by call for earlier redemption, if such moneys were held by the Trustee or any Paying Agent at such date, or for two (2) years after the date of deposit of such moneys if deposited with the Trustee or Paying Agent after the date when such Bond became due and payable, shall be paid to the District, and thereupon and thereafter no claimant shall have any rights against the Paying Agent to or in respect of such moneys.

If the District deposits or causes to be deposited with the Trustee cash or Federal Securities sufficient to pay the principal or Redemption Price of any Bonds becoming due at maturity or by call for redemption in the manner set forth in the Indenture, together with the interest accrued to the due date, the lien of the Series 2024 Bonds as to the Series 2024 Trust Estate shall be discharged, except for the rights of the Owners thereof with respect to the funds so deposited as provided in the Indenture.

This Bond shall have all the qualities and incidents, including negotiability, of investment securities within the meaning and for all the purposes of the Uniform Commercial Code of the State of Florida.

This Bond is issued with the intent that the laws of the State of Florida shall govern its construction.

All acts, conditions and things required by the Constitution and laws of the State of Florida and the ordinances and resolutions of the District to happen, exist and be performed precedent to and in the issuance of this Bond and the execution of the Indenture, have happened, exist and have been performed as so required. This Bond shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Indenture until it shall have been authenticated by the execution by the Trustee of the Certificate of Authentication endorsed hereon.

**IN WITNESS WHEREOF**, Waterset South Community Development District has caused this Bond to bear the signature of the Chair of its Board of Supervisors and the official seal of the District to be impressed or imprinted hereon and attested by the signature of the Assistant Secretary to the Board of Supervisors.

(SEAL)

**WATERSET SOUTH  
COMMUNITY DEVELOPMENT DISTRICT**

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Deneen Klenke, Chair, Board of Supervisors

Attest:

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Ruben Durand, Assistant Secretary

**CERTIFICATE OF VALIDATION**

This Bond is one of a Series of Bonds which were validated by judgment of the Circuit Court of the Thirteenth Judicial Circuit of the State of Florida, in and for Hillsborough County, Florida rendered on October 31, 2022.

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Deneen Klenke, Chair, Board of Supervisors

**CERTIFICATE OF AUTHENTICATION**

This Bond is one of the Bonds of the Series designated herein, described in the within-mentioned Indenture.

**U.S. BANK TRUST COMPANY, NATIONAL  
ASSOCIATION**, as Trustee

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Leanne M. Duffy, Vice President

Date of Authentication:

February \_\_, 2024

## ABBREVIATIONS FOR SERIES 2024 BONDS

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

TEN COM as tenants in common

TEN ENT as tenants by the entireties

JT TEN as joint tenants with the right of survivorship and not as tenants in common

UNIFORM TRANSFER MIN ACT - \_\_\_\_\_ Custodian \_\_\_\_\_ under Uniform  
Transfer to Minors Act \_\_\_\_\_ (Cust.) \_\_\_\_\_ (Minor)  
(State)

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

## ASSIGNMENT FOR SERIES 2024 BONDS

For value received, the undersigned hereby sells, assigns and transfers unto

\_\_\_\_\_ within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints \_\_\_\_\_, attorney to transfer the said Bond on the books of the District, with full power of substitution in the premises.

Dated:

Social Security Number or Employer

Identification Number of Transferee:

Signature guaranteed:

NOTICE: Signature(s) must be guaranteed by an institution which is a participant in the Securities Transfer Agent Medallion Program (STAMP) or similar program.

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

**WATERSET SOUTH COMMUNITY DEVELOPMENT DISTRICT  
(Hillsborough County, Florida)**

**[\$[Bond Amount] Special Assessment Revenue Bonds, Series 2024**

**[BPA Date]**

**BOND PURCHASE AGREEMENT**

Waterset South Community Development District  
Hillsborough County, Florida

Ladies and Gentlemen:

MBS Capital Markets, LLC (the "Underwriter"), offers to enter into this Bond Purchase Agreement ("Purchase Agreement") with the Waterset South Community Development District (the "District"). This offer is made subject to written acceptance hereof by the District at or before 11:59 p.m., New York time, on the date hereof. If not so accepted, this offer will be subject to withdrawal by the Underwriter upon written notice delivered to the District at any time prior to the acceptance hereof by the District. Capitalized terms used but not otherwise defined herein shall have the meaning ascribed to such term in the Limited Offering Memorandum or in the Indenture, as applicable, each as defined herein.

**1. Purchase and Sale.** Upon the terms and conditions and in reliance on the representations, warranties, covenants and agreements set forth herein, the Underwriter hereby agrees to purchase from the District, and the District hereby agrees to sell and deliver to the Underwriter, all (but not less than all) of its \$[Bond Amount] Waterset South Community Development District Special Assessment Revenue Bonds, Series 2024 (the "Series 2024 Bonds"). The Series 2024 Bonds shall be dated as of the date of their delivery and shall be payable on the dates and principal amounts, bear such rates of interest and be subject to redemption, all as set forth in Exhibit A attached hereto. Interest on the Series 2024 Bonds is payable semi-annually on May 1 and November 1 each year, commencing May 1, 2024. The purchase price for the Series 2024 Bonds shall be \$[PP] (representing the aggregate par amount of the Series 2024 Bonds of \$[Bond Amount].00, [less/plus] [net] original issue [discount/premium] of \$[OID/OIP] and less an Underwriter's discount of \$[UD]).

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

**2. The Series 2024 Bonds.** The Series 2024 Bonds are authorized and issued pursuant to the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes (the "Act"), the Florida Constitution, and other applicable provisions of law, and Ordinance No. 22-19, enacted by the Board of County Commissioners of Hillsborough County, Florida, on July 26, 2022, effective on July 27, 2022 (the "Ordinance"). The District was established for the purpose, among other things, of financing and managing the acquisition, construction, installation, maintenance, and

operation of the major infrastructure within and without the boundaries of the District. The Series 2024 Bonds are being issued pursuant to the Act and a Master Trust Indenture, dated as of December 1, 2022 (the "Master Indenture"), between the District and U.S. Bank Trust Company, National Association, as trustee (the "Trustee"), as supplemented by a Second Supplemental Trust Indenture, dated as of February 1, 2024, between the District and the Trustee (the "Supplemental Indenture" and, together with the Master Indenture, the "Indenture"), and Resolution Nos. 2022-29 and 2024-[ ], adopted by the Board of Supervisors of the District (the "Board") on August 9, 2022 and January [11], 2024, respectively (collectively, the "Bond Resolution"), authorizing the issuance of the Series 2024 Bonds. The Series 2024 Assessments comprising the Series 2024 Pledged Revenues have been levied by the District on the lands within the District specially benefited by the Series 2024 Project pursuant to Resolution Nos. 2022-27 and 2022-28 adopted by the Board on August 9, 2022, Resolution No. 2022-30 adopted by the Board on September 13, 2022 and a resolution to be adopted by the Board on or about [February 8], 2024 (collectively, the "Assessment Resolutions").

Consistent with the requirements of the Indenture and the Act, the Series 2024 Bonds are being issued to (a) finance a portion of the Cost of the Series 2024 Project, (b) pay certain costs associated with the issuance of the Series 2024 Bonds, (c) make a deposit into the Series 2024 Reserve Account to be held for the benefit of all of the Series 2024 Bonds, without privilege or priority of one Series 2024 Bond over another, and (d) pay a portion of the interest to become due on the Series 2024 Bonds.

The principal and interest on the Series 2024 Bonds are payable from and secured by the Series 2024 Trust Estate, which includes the Series 2024 Pledged Revenues and the Series 2024 Pledged Funds. The Series 2024 Pledged Revenues consist primarily of the revenues received by the District from the Series 2024 Assessments levied against certain lands in the District that are subject to assessment as a result of the Series 2024 Project or any portion thereof. The Series 2024 Pledged Funds include all of the Funds and Accounts (except for the Series 2024 Rebate Account) established by the Indenture.

At the time of issuance of the Series 2024 Bonds, the District and/or NNP-Southbend II, LLC, a Delaware limited liability company (the "Developer") will enter into:

(a) the Continuing Disclosure Agreement (the "Disclosure Agreement") among the District, the Developer, and Rizzetta & Company, Incorporated (the "Dissemination Agent"), dated as of the date of Closing (hereinafter defined);

(b) the [Agreement Between the District and the Developer Regarding the True-Up and Payment of Series 2024 Assessments] (the "True Up Agreement"), dated as of the date of Closing;

(c) the [Collateral Assignment and Assumption of Development and Contract Rights Relating to the Capital Improvement Program – Series 2024 Project] (the "Collateral Assignment") between the District and the Developer, dated as of the date of Closing;

(d) the [Agreement By and Between the District and the Developer Regarding the Completion of Certain Improvements Relating to the Capital Improvement Program] (the "Completion Agreement"), dated as of the date of Closing;



(e) the [Acquisition Agreement (2024 Project)] (the "Acquisition Agreement") between the District and the Developer, dated as of the date of Closing;

(f) the [Declaration of Consent to Jurisdiction of the District and to Imposition of Special Assessments] (the "Declaration of Consent") by the Developer, dated as of the date of Closing; and

(g) the [Tri-Party Agreement Relating to Acknowledgment of Jurisdiction, Imposition of Special Assessments, and Subordination of Interests among the District, the Developer and NASH Financing, LLC] (the "Tri-Party Agreement"), dated as of the date of Closing.

For purposes hereof, this Purchase Agreement, the Indenture, the Disclosure Agreement, the True Up Agreement, the Collateral Assignment, the Completion Agreement, the Acquisition Agreement, the Declaration of Consent and the Tri-Party Agreement, are referred to herein collectively as the "Financing Documents."

### **3. Delivery of Limited Offering Memorandum and Other Documents.**

(a) Prior to the date hereof, the District provided to the Underwriter for its review the Preliminary Limited Offering Memorandum, dated [PLOM Date] (the "Preliminary Limited Offering Memorandum"), that the District 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 (the "SEC Rule") in connection with the pricing of the Series 2024 Bonds. The District hereby confirms that the Preliminary Limited Offering Memorandum was deemed final as of its date, except for the permitted omissions.

(b) The District shall deliver, or cause to be delivered, at its expense, to the Underwriter, within seven (7) business days after the date hereof, or use good faith to deliver within such shorter period as may be requested by the Underwriter and at least one (1) business day prior to the date of Closing, or within such other period as the Underwriter may inform the District which is necessary for the Underwriter to comply with regulations of the Municipal Securities Rulemaking Board ("MSRB") in order to accompany any confirmation that requests payment from any customer, sufficient copies of the final Limited Offering Memorandum (the "Limited Offering Memorandum") to enable the Underwriter to fulfill its obligations pursuant to the securities laws of the State of Florida (the "State") and the United States, in form and substance satisfactory to the Underwriter. In determining whether the number of copies to be delivered by the District are reasonably necessary, at a minimum, the number shall be determined by the Underwriter and conveyed to the District as shall be sufficient to enable the Underwriter to comply with the requirements of the SEC Rule, all applicable rules of the MSRB, and to fulfill its duties and responsibilities under State and federal securities laws generally.

The Underwriter agrees to file the Limited Offering Memorandum in accordance with applicable MSRB rules.

The District authorizes, or ratifies as the case may be, the use and distribution of the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum in

connection with the limited public offering and sale of the Series 2024 Bonds. The Underwriter agrees that it will not confirm the sale of any Series 2024 Bonds unless the confirmation of sale requesting payment is accompanied or preceded by the delivery of a copy of the Limited Offering Memorandum.

(c) From the date hereof until the earlier of (1) ninety (90) days from the "end of the underwriting period" (as defined in the SEC Rule), or (2) the time when the Limited Offering Memorandum is available to any person from the MSRB (but in no case less than twenty-five (25) days following the end of the underwriting period), if the District has knowledge of the occurrence of any event which may make it necessary to amend or supplement the Limited Offering Memorandum in order to make the statements therein, in light of the circumstances under which they were made, not misleading, the District shall notify the Underwriter and if, in the reasonable opinion of the District or the Underwriter, such event requires the preparation and publication of an amendment or supplement to the Limited Offering Memorandum, the District, at its expense (unless such event was caused by the Underwriter), shall promptly prepare an appropriate amendment or supplement thereto (and file, or cause to be filed, the same with the MSRB, and mail such amendment or supplement to each record owner of Series 2024 Bonds) so that the statements in the Limited Offering Memorandum as so amended or supplemented will not, in light of the circumstances under which they were made, be misleading, in a form and in a manner reasonably approved by the Underwriter. The District will promptly notify the Underwriter of the occurrence of any event of which it has knowledge which, in its opinion, is an event described in the preceding sentence. The amendments or supplements that may be authorized for use with respect to the Series 2024 Bonds are hereinafter included within the term "Limited Offering Memorandum."

**4. Authority of the Underwriter.** The Underwriter is duly authorized to execute this Purchase Agreement and to perform its obligations hereunder. The Underwriter hereby represents that neither it nor any "person" or "affiliate" has been on the "convicted vendor list" during the past 36 months, as all such terms are defined in Section 287.133, Florida Statutes.

**5. Offering and Sale of Series 2024 Bonds.** The Underwriter agrees to make a bona fide limited offering to "accredited investors" representing the general public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) of all of the Series 2024 Bonds at not in excess of the initial public offering price or prices (or below the yield or yields) set forth in Exhibit A attached hereto; provided, however, that the Underwriter may (a) offer and sell the Series 2024 Bonds to certain bond houses, brokers or to similar persons or organizations acting in the capacity of underwriters or wholesalers at prices lower than the public offering prices set forth in Exhibit A attached hereto, or (b) change such initial offering prices (or yields) as the Underwriter deems necessary in connection with the marketing of the Series 2024 Bonds. The Underwriter agrees to assist the District in establishing the issue price as provided in Section 20 hereof.

The District hereby authorizes the Underwriter to use the Limited Offering Memorandum in connection with the limited public offering and sale of the Series 2024 Bonds and ratifies and confirms the distribution and use by the Underwriter prior to the

date hereof of the Preliminary Limited Offering Memorandum in connection with such limited public offering and sale.

**6. District Representations, Warranties, Covenants and Agreements.**

The District represents and warrants to and covenants and agrees with the Underwriter that, as of the date hereof and as of the date of Closing:

(a) The District is a local unit of special purpose government, duly organized and established and validly existing under the Act and the Constitution and laws of the State, with full legal right, power and authority to (1) impose, levy and collect the Series 2024 Assessments in the manner described in the Limited Offering Memorandum, (2) issue the Series 2024 Bonds for the purposes for which they are to be issued, as described in the Limited Offering Memorandum, (3) secure the Series 2024 Bonds as provided by the Indenture, (4) enter into the Financing Documents to which it is a party, (5) carry out and consummate all of the transactions contemplated by the Bond Resolution, the Assessment Resolutions and the Financing Documents to which it is a party, and (6) undertake the completion of the Series 2024 Project.

(b) The District has complied and will at Closing be in compliance in all respects with the Bond Resolution, the Assessment Resolutions, the Act, and the Constitution and laws of the State in all matters relating to the Financing Documents and the Series 2024 Bonds, and the imposition, levy and collection of the Series 2024 Assessments.

(c) The District has, or by Closing will have, duly authorized and approved (1) the execution and delivery, or adoption, as the case may be, and performance of the Bond Resolution, the Assessment Resolutions, the Financing Documents to which it is a party, the Series 2024 Assessments and the Series 2024 Bonds, (2) the use and distribution of the Preliminary Limited Offering Memorandum and the delivery and distribution of the Limited Offering Memorandum, and (3) the taking of any and all such action as may be required on the part of the District to carry out, give effect to and consummate the transactions contemplated by the Bond Resolution, the Assessment Resolutions, the Financing Documents, the Series 2024 Assessments, the Series 2024 Bonds and the Limited Offering Memorandum.

(d) Each of the Financing Documents to which the District is a party, upon due authorization, execution and delivery thereof by the parties thereto, constitutes, or will constitute at Closing, a legally valid and binding obligation of the District enforceable in accordance with its terms.

(e) When delivered to and paid for by the Underwriter at the Closing in accordance with the provisions of this Purchase Agreement, the Series 2024 Bonds will have been duly authorized, executed, authenticated, issued and delivered and will constitute legally valid and binding special obligations of the District, conforming to the Act, and entitled to the benefit and security of the Indenture.

(f) Upon the execution, authentication, issuance and delivery of the Series 2024 Bonds as aforesaid, the Indenture will provide, for the benefit of the holders from time to time of the Series 2024 Bonds, a legally valid and binding pledge of and a security interest in and to the Series 2024 Trust Estate pledged to the Series 2024 Bonds, subject only to the

provisions of the Indenture permitting the application of such Series 2024 Trust Estate for the purposes and on the terms and conditions set forth in the Indenture.

(g) Other than any approvals that might be required under the securities laws of any state, no approval, permit, consent or authorization of, or registration or filing with, any governmental or public agency or authority or any other entity not already obtained or made, or to be obtained or made simultaneously with the issuance of the Series 2024 Bonds, is required to be obtained or made by the District in connection with the issuance and sale of the Series 2024 Bonds, or the execution and delivery by the District of, or the due performance of its obligations under, the Financing Documents to which it is a party and the Series 2024 Bonds, and any such approvals, permits, consents or authorizations so obtained are in full force and effect.

(h) Other than as disclosed in the Limited Offering Memorandum, the District is not in breach of or in default under any applicable constitutional provision, law or administrative regulation of the State or the United States, the Financing Documents to which it is a party, the Series 2024 Bonds or any applicable judgment or decree or any other 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, that could have a materially adverse effect on the business or operations of the District, and no event of default by the District has occurred and is continuing under any such instrument except as otherwise stated herein.

(i) The execution and delivery by the District of the Financing Documents, the Series 2024 Bonds and any other instrument to which the District is a party and which is used or contemplated for use in conjunction with the transactions contemplated by the Financing Documents, the Series 2024 Bonds, or the Limited Offering Memorandum, and the compliance with the provisions of each such instrument and the consummation of any transactions contemplated hereby and thereby, will not conflict with or constitute a breach of or default under any indenture, contract, agreement, or other instrument to which the District is a party or by which it is bound, or to the best of its knowledge under any provision of the Constitution of the State or any existing law, rule, regulation, ordinance, judgment, order or decree to which the District (or any of its supervisors or officers in their respective capacities as such) or its properties is subject.

(j) Except as disclosed in the Limited Offering Memorandum, there is no action, suit, hearing, inquiry or investigation, at law or in equity, before or by any court, public board, agency or body, pending or, to the best knowledge of the District, threatened against or affecting the District or any of its supervisors in their respective capacities as such, in which an unfavorable decision, ruling or finding would, in any material way, adversely affect (1) the transactions contemplated by the Bond Resolution, the Assessment Resolutions, the Financing Documents or the Series 2024 Bonds, (2) the organization, existence or powers of the District or any of its supervisors or officers in their respective capacities as such, (3) the business, properties or assets or the condition, financial or otherwise, of the District, (4) the validity or enforceability of the Series 2024 Bonds, the Financing Documents to which it is a party, the Series 2024 Assessments or any other agreement or instrument to which the District is a party and which is used or contemplated for use in the transactions contemplated hereby or by the Indenture, (5) the exclusion from gross income for federal income tax purposes of the interest on the Series 2024 Bonds, (6)

the exemption under the Act of the Series 2024 Bonds and the interest thereon from taxation imposed by the State, (7) the legality of investment in the Series 2024 Bonds for certain investors as provided in the Act, (8) the issuance, sale or delivery of the Series 2024 Bonds, or (9) the collection of the Series 2024 Assessments and the pledge thereof under the Indenture to pay the principal, premium, if any, or interest on the Series 2024 Bonds.

(k) The District has not issued, assumed or guaranteed any indebtedness, incurred any material liabilities, direct or contingent, or entered into any contract or arrangement of any kind payable from or secured by a pledge of the Series 2024 Trust Estate pledged to the Series 2024 Bonds with a lien thereon prior to or on a parity with the lien of the Series 2024 Bonds.

(l) Between the date of this Purchase Agreement and the date of Closing, the District will not, without the prior written consent of the Underwriter, incur any material liabilities, direct or contingent, nor will there be any adverse change of a material nature in the financial position, results of operations or condition, financial or otherwise, of the District, other than (1) as contemplated by the Limited Offering Memorandum, or (2) in the ordinary course of business.

(m) Any certificates signed by any official of the District authorized to do so shall be deemed a representation and warranty by the District to the Underwriter as to the statements made therein.

(n) No representation or warranty by the District in this Purchase Agreement nor any statement, certificate, document or exhibit furnished or to be furnished by the District pursuant to this Purchase Agreement or the Limited Offering Memorandum or in connection with the transactions contemplated hereby contains or will contain on the date of Closing any untrue statement of a material fact or omits or will omit 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 no representation is made with respect to information concerning The Depository Trust Company, the Underwriter, or concerning information in the Limited Offering Memorandum under the captions "SUITABILITY FOR INVESTMENT," "DESCRIPTION OF THE SERIES 2024 BONDS – Book-Entry Only System," "THE DISTRICT – District Manager and Other Consultants," "WATERSET," "THE SERIES 2024 ASSESSMENT AREA," "THE DEVELOPER," "TAX MATTERS," "LITIGATION – Developer," "CONTINUING DISCLOSURE – Developer Continuing Compliance," and "UNDERWRITING."

(o) Except as disclosed in the Limited Offering Memorandum, the District is not in default and has not been in default at any time after December 31, 1975, as to principal or interest with respect to any obligations issued or guaranteed by the District.

**7. The Closing.** At 12:00 noon, New York time, on [Closing Date], or at such earlier or later time or date to which the District and the Underwriter may mutually agree, the District will, subject to the terms and conditions hereof, deliver the Series 2024 Bonds to the Underwriter in full book-entry form, duly executed, together with the other documents hereinafter mentioned, and, subject to the terms and conditions hereof, the Underwriter will accept such delivery and pay the aggregate purchase price of the Series 2024 Bonds as set forth in Section 1 hereof (such delivery of and payment for the Series

2024 Bonds is herein called the "Closing"). The District shall cause CUSIP identification numbers to be printed on the Series 2024 Bonds, but neither the failure to print such number on any Series 2024 Bond nor any error with respect thereto shall constitute cause for a failure or refusal by the Underwriter to accept delivery of and pay for the Series 2024 Bonds in accordance with the terms of this Purchase Agreement. The Closing shall occur at the offices of the District, or such other place to which the District and the Underwriter shall have mutually agreed. The Series 2024 Bonds shall be prepared and delivered as fully registered bonds in such authorized denominations and registered in full book-entry form in the name of Cede & Co., as Nominee of The Depository Trust Company, New York, New York ("DTC") and shall be delivered to DTC during the business day prior to the Closing for purposes of inspection, unless the DTC "F.A.S.T." procedure is used which requires the Bond Registrar to retain possession of the Series 2024 Bonds.

**8. Closing Conditions.** The Underwriter has entered into this Purchase Agreement in reliance upon the representations, warranties, covenants and agreements of the District contained herein and contained in the documents and instruments delivered at the Closing, and upon the performance by the District of its obligations hereunder, as of the date of Closing. Accordingly, the Underwriter's obligations under this Purchase Agreement to cause the purchase, acceptance of delivery and payment for the Series 2024 Bonds shall be subject to the performance by the District of its obligations to be performed hereunder and under such documents and instruments at or prior to the Closing, and shall also be subject to the following conditions:

(a) The representations and warranties of the District contained herein shall be true, complete and correct on and as of the date of Closing, the statements made in all certificates and other documents delivered to the Underwriter at the Closing shall be true, complete and correct as of the date of Closing, and the District shall be in compliance with each of the agreements made by it in this Purchase Agreement and the Indenture as of the date of Closing;

(b) At the Closing, (1) the Bond Resolution, the Assessment Resolutions, the Financing Documents and the Series 2024 Assessments shall be in full force and effect and shall not have been amended, modified or supplemented, except as may have been agreed to in writing by the Underwriter, and the District shall have adopted and there shall be in full force and effect such additional agreements therewith and in connection with the issuance of the Series 2024 Bonds all such action as in the reasonable opinion of Bond Counsel shall be necessary in connection with the transactions contemplated hereby, (2) the Limited Offering Memorandum shall not have been amended, modified or supplemented, except as may have been agreed to in writing by the Underwriter, (3) there shall not have occurred any event that causes the Limited Offering Memorandum or any amendment or supplement thereto to contain an untrue or misleading statement of fact that in the opinion of the Underwriter or its counsel is material or omits to state a fact that in the opinion of the Underwriter or its counsel is material and necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, (4) the District shall perform or shall have performed all of its obligations under or specified in the Financing Documents to which it is a party to be performed at or prior to the Closing, and (5) the Series 2024 Bonds shall have been duly authorized, executed, authenticated and delivered; and

(c) At or prior to the Closing, the Underwriter shall have received executed or certified copies of the following documents:

(1) a certificate of the District, dated the date of Closing, regarding the Limited Offering Memorandum and no default;

(2) the Bond Resolution and Assessment Resolutions, certified by authorized officers of the District under its seal as true and correct copies and as having been adopted with only such amendments, modifications or supplements as may have been approved by the Underwriter;

(3) copies of the Master Indenture and Supplemental Indenture;

(4) a copy of the Limited Offering Memorandum, and any amendments or supplements thereto;

(5) a certificate of the District, dated the date of Closing, signed on its behalf by the Chairperson or Vice Chairperson and the Secretary or an Assistant Secretary of its Board of Supervisors, in substantially the form attached hereto as Exhibit C;

(6) an opinion, dated the date of Closing, of Bryant Miller Olive P.A., Orlando, Florida, Bond Counsel, substantially in the form attached as an Appendix to the Limited Offering Memorandum;

(7) a supplemental opinion, dated the date of Closing, of Bond Counsel to the effect that (A) the Underwriter may rely on the approving opinion of Bond Counsel as though such opinion were addressed to it, (B) the Series 2024 Bonds are exempt from registration under the Securities Act of 1933, as amended, and the Indenture is exempt from qualification under the Trust Indenture Act of 1939, as amended, and (C) Bond Counsel has reviewed (i) the statements contained in the Limited Offering Memorandum under the sections captioned "DESCRIPTION OF THE SERIES 2024 BONDS" (other than the portion thereof captioned "Book-Entry Only System" and other than any information therein relating to DTC or the book-entry system) and "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2024 BONDS" (other than the portions thereof captioned "Agreement for Assignment of Development Rights," "Completion Agreement" and "True-Up Agreement") and is of the opinion that insofar as such statements purport to summarize certain provisions of the Series 2024 Bonds and the Indenture, such statements are accurate summaries of the provisions purported to be summarized therein, and (ii) the information contained in the Limited Offering Memorandum under the section captioned "TAX MATTERS" and believes that such information is accurate;

(8) an opinion, dated the date of Closing, of Kutak Rock LLP, Tallahassee, Florida, District Counsel, in substantially the form attached hereto as Exhibit D;

(9) an opinion, dated the date of Closing, of Nabors, Giblin & Nickerson, P.A., Tampa, Florida, counsel to the Underwriter (the "Underwriter's Counsel"), in form and substance satisfactory to the Underwriter;

(10) an opinion, dated the date of Closing and addressed to the Underwriter and the District, of counsel to the Trustee, in form and substance acceptable to the Underwriter and the District and a customary authorization and incumbency certificate, dated the date of Closing, signed by authorized officers of the Trustee;

(11) a certificate, dated the date of Closing, of the authorized officers of the District to the effect that, on the basis of the facts, estimates and circumstances in effect on the date of Closing, it is not expected that the proceeds of the Series 2024 Bonds will be used in a manner that would cause the Series 2024 Bonds to be "arbitrage bonds" within the meaning of Section 148 of Internal Revenue Code of 1986, as amended;

(12) specimen Series 2024 Bonds;

(13) executed Financing Documents;

(14) a copy of the executed Letter of Representations between the District and DTC;

(15) copies of the Master Special Assessment Allocation Report, dated August 9, 2022 and the Final Supplemental Special Assessment Allocation Report, dated on or about the date hereof, each prepared by the Assessment Consultant;

(16) a certificate of the Assessment Consultant, in substantially the form attached hereto as Exhibit E;

(17) copies of the Master Report of District Engineer, Master Capital Improvement Plan, dated August 2022, and the Supplemental District Engineer's Report, Series 2024 Project (2024 Assessment Area) dated [October 2023], each prepared by the Consulting Engineer;

(18) a certificate of the Consulting Engineer, in substantially the form attached hereto as Exhibit F;

(19) a certificate of the District Manager and Dissemination Agent, in substantially the form attached hereto as Exhibit G;

(20) a certificate of the Developer, in substantially the form attached hereto as Exhibit H and an opinion of counsel to the Developer in substantially the form attached hereto as Exhibit I;

(21) evidence of compliance with the requirements of Section 189.051 and Section 215.84, Florida Statutes;

(22) copies of the final judgment and certificate of no appeal; and



(23) such additional legal opinions, certificates (including such certificates as may be required by regulations of the Internal Revenue Service in order to establish the tax exempt character of the Series 2024 Bonds, which certificates shall be satisfactory in form and substance to Bond Counsel), and other evidence as the Underwriter, Bond Counsel or Underwriter's Counsel may deem necessary to evidence the truth and accuracy as of the date of Closing of the representations and warranties of the District herein contained and of the information contained in the Limited Offering Memorandum and the due performance and satisfaction by the District at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by it.

All of the opinions, letters, certificates, instruments and other documents mentioned above or elsewhere in this Purchase Agreement shall be deemed to be in compliance with the provisions hereof if, but only if, they are in form and substance as set forth herein or as described herein or as otherwise satisfactory to the Underwriter. Receipt of, and payment for, the Series 2024 Bonds shall constitute evidence of the satisfactory nature of such as to the Underwriter. The performance of any and all obligations of the District hereunder and the performance of any and all conditions herein for the benefit of the Underwriter may be waived by the Underwriter in its sole discretion.

If the District shall be unable to satisfy the conditions to the obligations of the Underwriter to cause the purchase, acceptance of delivery and payment for the Series 2024 Bonds contained in this Purchase Agreement, or if the obligations of the Underwriter to cause the purchase, acceptance of delivery and payment for the Series 2024 Bonds shall be terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement shall terminate, and neither the Underwriter nor the District shall be under further obligation hereunder; provided, however, that the respective obligations of the Underwriter and the District set forth in Section 10 hereof shall continue in full force and effect.

**9. Termination.** The Underwriter may terminate this Purchase Agreement by written notice to the District in the event that between the date hereof and the date of Closing:

(a) the marketability of the Series 2024 Bonds or the market price thereof, in the reasonable opinion of the Underwriter, has been materially adversely affected by (1) an amendment to the Constitution of the United States, (2) any legislation (other than any actions taken by either House of Congress on or prior to the date hereof) (A) enacted or adopted by the United States, (B) recommended to the Congress or otherwise endorsed for passage, by press release, other form of notice or otherwise, by the President of the United States, the Chairman 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, the Treasury Department of the United States or the Internal Revenue Service, or (C) favorably reported out of the appropriate Committee for passage to either House of the Congress by any full Committee of such House to which such legislation has been referred for consideration, (3) any decision of any court of the United States, (4) any order, rule or regulation (final, temporary or proposed) on behalf of the Treasury Department of the United States, the Internal Revenue Service or any other authority or regulatory body of the United States, (5) a release or announcement or communication

issued or sent by the Treasury Department of the United States or the Internal Revenue Service, or (6) any comparable legislative, judicial or administrative development affecting the federal tax status of the District, its property or income, obligations of the general character of the Series 2024 Bonds, as contemplated hereby, or the interest thereon; or

(b) any legislation, rule, or regulation shall be introduced in, or be enacted or adopted in the State, or a decision by any court of competent jurisdiction within the State shall be rendered which, in the reasonable opinion of the Underwriter, materially adversely affects the market for the Series 2024 Bonds or the sale, at the contemplated offering prices, by the Underwriter of the Series 2024 Bonds to be purchased by it; or

(c) any amendment to the Limited Offering Memorandum is proposed by the District or deemed necessary by Bond Counsel or the Underwriter which, in the reasonable opinion of the Underwriter, materially adversely affects the market for the Series 2024 Bonds or the sale, at the contemplated offering prices, by the Underwriter of the Series 2024 Bonds to be purchased by it; or

(d) there shall have occurred any outbreak or escalation of hostility, declaration by the United States of a national emergency or war or other calamity or crisis the effect of which on financial markets is such as to make it, in the sole judgment of the Underwriter, impractical or inadvisable to proceed with the offering or delivery of the Series 2024 Bonds as contemplated by the Limited Offering Memorandum (exclusive of any amendment or supplement thereto); or

(e) legislation shall be enacted or adopted, or any action shall be taken by, or on behalf of, the Securities and Exchange Commission (the "SEC") which, in the reasonable opinion of Bond Counsel, has the effect of requiring the contemplated distribution of the Series 2024 Bonds to be registered under the Securities Act of 1933, as amended (the "1933 Act"), or the Indenture to be qualified under the Trust Indenture Act of 1939, as amended (the "1939 Act"), or any laws analogous thereto relating to governmental bodies, and compliance therewith cannot be accomplished prior to the Closing; or

(f) legislation shall be introduced by amendment or otherwise in or be enacted by the House of Representatives or the Senate of the Congress of the United States, or a decision by a court of the United States shall be rendered, or a stop order, ruling, release, regulation, official statement or no-action letter by or on behalf of the SEC or any other governmental authority having jurisdiction of the subject matter of the Series 2024 Bonds shall have been proposed, issued or made (which is beyond the control of the Underwriter or the District to prevent or avoid) to the effect that the issuance, offering or sale of the Series 2024 Bonds as contemplated hereby or by the Limited Offering Memorandum, or any document relating to the issuance, offering or sale of the Series 2024 Bonds is or would be in violation of any of the federal securities laws at Closing, including the 1933 Act, as amended and then in effect, the Securities Exchange Act of 1934, as amended and then in effect, or the 1939 Act, as amended and then in effect, or with the purpose or effect of otherwise prohibiting the offering and sale of either the Series 2024 Bonds as contemplated hereby, or of obligations of the general character of the Series 2024 Bonds; or

(g) there shall have occurred, after the signing hereof, either a financial crisis or a default with respect to the debt obligations of the District or proceedings under the

federal or State bankruptcy laws shall have been instituted by the District, in either case the effect of which, in the reasonable judgment of the Underwriter, is such as to materially and adversely affect the market price or the marketability of the Series 2024 Bonds, or the ability of the Underwriter to enforce contracts for the sale of the Series 2024 Bonds; or

(h) a general banking moratorium shall have been declared by the United States, New York or State authorities which, in the reasonable opinion of the Underwriter, materially adversely affects the market for the Series 2024 Bonds or the sale, at the contemplated offering prices, by the Underwriter of the Series 2024 Bonds to be purchased by it; or

(i) any national securities exchange or any governmental authority shall impose, as to the Series 2024 Bonds or obligations of the general character of the Series 2024 Bonds, any material restrictions not now in force, or increase materially those now in force, with respect to the establishment of material restrictions upon trading of securities, including limited or minimum prices, by any governmental authority or by any national securities exchange which, in the reasonable opinion of the Underwriter, materially adversely affects the market for the Series 2024 Bonds or the sale, at the contemplated offering prices, by the Underwriter of the Series 2024 Bonds to be purchased by it; or

(j) legal action shall have been filed against the District wherein an adverse ruling would materially adversely affect the transactions contemplated hereby or by the Limited Offering Memorandum or the validity of the Series 2024 Bonds, the Bond Resolution, the Assessment Resolutions or any of the Financing Documents; provided, however, that as to any such litigation, the District may request and the Underwriter may accept an opinion by Bond Counsel, or other counsel acceptable to the Underwriter, that in such counsel's opinion the issues raised by any such litigation or proceeding are without substance or that the contentions of any plaintiffs therein are without merit; or

(k) there shall have occurred or any notice shall have been given of any intended review, downgrading, suspension, withdrawal, or negative change in credit watch status by any national rating service to any of the District's obligations; or

(l) any information shall have become known which, in the Underwriter's reasonable opinion, makes untrue, incorrect or misleading in any material respect any statement or information contained in the Limited Offering Memorandum, as the information contained therein has been supplemented or amended by other information, or causes the Limited Offering Memorandum, as so supplemented or amended, to contain an untrue, incorrect or misleading statement of a material fact or to omit 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 and upon the receipt of notice of same by the District, the District fails to promptly amend or supplement the Limited Offering Memorandum; or

(m) an event occurs as a result of which the Limited Offering Memorandum, as then amended or supplemented, would include an untrue statement of a material fact or omit to state any material fact which is 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 which, in the reasonable opinion of the Underwriter, requires an amendment or

supplement to the Limited Offering Memorandum and, in the reasonable opinion of the Underwriter, materially adversely affects the marketability of the Series 2024 Bonds or the contemplated offering prices thereof and upon the receipt of notice by the District, the District fails to promptly amend or supplement the Limited Offering Memorandum; or

(n) the Internal Revenue Service makes a determination with respect to any special purpose development district formed under State law (referred to herein as a "Special District") deeming that all or certain of such Special Districts are not a "political subdivision" for purposes of Section 103(a) of the Internal Revenue Code, and such determination, in the reasonable opinion of the Underwriter, materially adversely affects the federal tax status of the District, the tax exempt character or marketability of the Series 2024 Bonds or the contemplated offering prices thereof.

**10. Expenses.**

(a) The District agrees to pay from the proceeds of the Series 2024 Bonds, and the Underwriter shall be under no obligation to pay, all expenses incident to the performance of the District's obligations hereunder, including but not limited to (1) the cost of the preparation, printing or other reproduction (for distribution prior to, on or after the date of acceptance of this Purchase Agreement) of a reasonable number of copies of the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum, (2) the fees and disbursements of Bond Counsel, District Counsel, Underwriter's Counsel, Rizzetta & Company, Incorporated, as Assessment Consultant, Heidt Design, LLC, as Consulting Engineer, and any other experts or consultants retained by the District, including, but not limited to, the fees and expenses of the District Manager, (3) the fees and disbursements of the Trustee, Bond Registrar and Paying Agent under the Indenture, and (4) out-of-pocket expenses of the District.

(b) The Underwriter shall pay (1) the cost of qualifying the Series 2024 Bonds for sale in various states chosen by the Underwriter and the cost of preparing or printing any Blue Sky and legal investment memoranda to be used in connection with such sale, and (2) out-of-pocket expenses and advertising incurred by it in connection with their offering and distribution of the Series 2024 Bonds.

(c) In the event that either the District or the Underwriter shall have paid obligations of the other as set forth in this Section, adjustment shall be made at or prior to Closing.

**11. Notices.** All notices, demands and formal actions hereunder shall be in writing and mailed, telegraphed or delivered to:

The Underwriter:

MBS Capital Markets, LLC  
152 Lincoln Avenue  
Winter Park, Florida 32789  
Attn: Brett Sealy

The District: Waterset South Community Development District  
c/o Rizzetta & Company, Incorporated  
3434 Colwell Avenue, Suite 200  
Tampa, Florida 33614  
Attn: Ruben Durand

Copy to District Counsel: Kutak Rock LLP  
107 West College Avenue  
Tallahassee, Florida 32301  
Attn: Alyssa Willson, Esq.

**12. Parties in Interest.** This Purchase Agreement is made solely for the benefit of the District and the Underwriter (including the successors or assignees of the District or the Underwriter) and no other party or person shall acquire or have any right hereunder or by virtue hereof. All representations, warranties, covenants and agreements in this Purchase Agreement shall remain operative and in full force and effect, regardless of (a) any investigations made by or on behalf of the Underwriter, (b) the delivery of and payment for the Series 2024 Bonds pursuant to this Purchase Agreement, or (c) any termination of this Purchase Agreement but only to the extent provided by the last paragraph of Section 8 hereof.

**13. Waiver.** Notwithstanding any provision herein to the contrary, the performance of any and all obligations of the District hereunder and the performance of any and all conditions contained herein for the benefit of the Underwriter may be waived by the Underwriter in its sole discretion.

**14. Effectiveness.** This Purchase Agreement shall become effective upon the execution of the acceptance hereof by the Chairperson and shall be valid and enforceable at the time of such acceptance.

**15. Counterparts.** This Purchase Agreement may be executed in several counterparts, each of which shall be regarded as a net original and all of which shall constitute one and the same document.

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

**17. Florida Law Governs.** The validity, interpretation and performance of this Purchase Agreement shall be governed by the laws of the State.

**18. Truth In Bonding Statement.** Pursuant to the provisions of Section 218.385(2) and (3), Florida Statutes, as amended, the Underwriter provides the following truth-in-bonding statement:

(a) The District is proposing to issue \$[Bond Amount].00 of its Series 2024 Bonds for the purposes described in Section 2 hereof. This obligation is expected to be repaid over a period of approximately [30] years. At a true interest cost of approximately [TIC]%, total interest paid over the life of the obligation will be \$[\_\_\_\_\_].

(b) The sources of repayment for the Series 2024 Bonds are the Series 2024 Pledged Revenues and the Series 2024 Pledged Funds (as described in Section 2 hereof). Authorizing this obligation will result in an average of approximately \$[\_\_\_\_\_] not being available to finance other services of the District every year for approximately [30] years; provided however, that in the event that the Series 2024 Bonds were not issued, the District would not be entitled to impose and collect the Series 2024 Assessments in the amount of the principal of and interest to be paid on the Series 2024 Bonds.

**19. No Advisory or Fiduciary Role.** The District acknowledges and agrees that (a) the purchase and sale of the Series 2024 Bonds pursuant to this Purchase Agreement is an arm's-length commercial transaction between the District and the Underwriter, (b) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriter is and has been acting solely as a principal and is not acting 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 fiduciary of the District, (c) the Underwriter has not assumed an advisory or fiduciary responsibility in favor of the District with respect to the offering contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter or any affiliate of the Underwriter has provided other services or is currently providing other services to the District on other matters) and the Underwriter has no obligation to the District with respect to the offering contemplated hereby except the obligations expressly set forth in this Purchase Agreement, (d) the District has consulted its own legal, financial and other advisors to the extent it has deemed appropriate in connection with the offering of the Series 2024 Bonds, (e) the Underwriter has financial and other interests that differ from those of the District, and (f) the District has received the Underwriter's G-17 Disclosure Letter.

**20. Establishment of Issue Price.**

(a) The Underwriter agrees to assist the District in establishing the issue price of the Series 2024 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, substantially in the form attached hereto as Exhibit J, 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 Series 2024 Bonds.

(b) Except as otherwise set forth in Exhibit A attached hereto, the District will treat the first price at which 10% of each maturity of the Series 2024 Bonds (the "10% test") is sold to the public as 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 Agreement, the Underwriter shall report to the District the price or prices at which it has sold to the public each maturity of Series 2024 Bonds. If at that time the 10% test has not been satisfied as to any maturity of the Series 2024 Bonds, the Underwriter agrees to promptly report to the District the prices at which it sells the unsold Series 2024 Bonds of that maturity to the public. That reporting obligation shall continue, whether or not the Closing has occurred,

until the 10% test has been satisfied as to the Series 2024 Bonds of that maturity or until all Series 2024 Bonds of that maturity have been sold to the public.

(c) The Underwriter confirms that it has offered the Series 2024 Bonds to the public on or before the date of this Purchase Agreement at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in Exhibit A attached hereto. Exhibit A also sets forth, as of the date of this Purchase Agreement, the maturities, if any, of the Series 2024 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 the Series 2024 Bonds, the Underwriter will neither offer nor sell unsold Series 2024 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 the Series 2024 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 Series 2024 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 2024 Bonds to any person that is a related party to the Underwriter shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

- (1) "public" means any person other than an underwriter or a related party;
- (2) "underwriter" means (A) any person that agrees pursuant to a written contract with the District (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Series 2024 Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Series 2024 Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Series 2024 Bonds to the public);
- (3) a purchaser of any of the Series 2024 Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) 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), (B) more than 50% common ownership of their capital interests or profit

interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) 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

(4) "sale date" means the date of execution of this Purchase Agreement by all parties.

[Remainder of Page Intentionally Left Blank]



21. **Entire Agreement.** This Purchase Agreement when accepted by you in writing as heretofore specified shall constitute the entire agreement between us and is made solely for the benefit of the District and the Underwriter (including the successors or assigns of the District or the Underwriter). No other person shall acquire or have any right hereunder or by virtue hereof.

Very truly yours,

**MBS CAPITAL MARKETS, LLC**

By: \_\_\_\_\_  
Brett Sealy, Managing Partner

Accepted by:

**WATERSET SOUTH  
COMMUNITY DEVELOPMENT DISTRICT**

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

**EXHIBIT A**

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

The purchase price for the Series 2024 Bonds shall be \$[PP] (representing the \$[Bond Amount].00 aggregate principal amount of the Series 2024 Bonds, [less/plus] [net] original issue [discount/premium] of \$[OID/OIP] and less an Underwriter's discount of \$[UD]).

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>	<u>CUSIP†</u>
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\* Represents maturity for which 10% test has been met as of sale date.

† The District is not responsible for the use of CUSIP numbers, nor is any representation made as to their correctness.

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**Redemption Provisions**

*Optional Redemption.* The Series 2024 Bonds are subject to redemption prior to maturity at the option of the District in whole or in part on any date on or after May 1, 20\_\_, at the Redemption Price of the principal amount of the Series 2024 Bonds or portions thereof to be redeemed together with accrued interest to the date of redemption.

*Mandatory Sinking Fund Redemption.* The Series 2024 Bond maturing May 1, 20\_\_, is subject to mandatory redemption in part by the District by lot prior to its scheduled maturity from moneys in the Series 2024 Sinking Fund Account established under the Supplemental Indenture in satisfaction of applicable Amortization Installments at the Redemption Price of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

<u>May 1 of the Year</u>	<u>Amortization Installment</u>	<u>May 1 of the Year</u>	<u>Amortization Installment</u>
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\* Final maturity

The Series 2024 Bond maturing May 1, 20\_\_, is subject to mandatory redemption in part by the District by lot prior to its scheduled maturity from moneys in the Series 2024 Sinking Fund Account established under the Supplemental Indenture in satisfaction of applicable Amortization Installments at the Redemption Price of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

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

The Series 2024 Bond maturing May 1, 20\_\_, is subject to mandatory redemption in part by the District by lot prior to its scheduled maturity from moneys in the Series 2024 Sinking Fund Account established under the Supplemental Indenture in satisfaction of applicable Amortization Installments at the Redemption Price of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

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

The Series 2024 Bond maturing May 1, 20\_\_, is subject to mandatory redemption in part by the District by lot prior to its scheduled maturity from moneys in the Series 2024 Sinking Fund Account established under the Supplemental Indenture in satisfaction of applicable Amortization Installments at the Redemption Price of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

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

As more particularly set forth in the Indenture, any Series 2024 Bonds that are purchased by the District with amounts held to pay an Amortization Installment will be cancelled and the principal amount so purchased will be applied as a credit against the applicable Amortization Installment of Series 2024 Bonds. Amortization Installments are also subject to recalculation, as provided in the Supplemental Indenture, as the result of the redemption of Series 2024 Bonds so as to reamortize the remaining Outstanding principal balance of the Series 2024 Bonds as set forth in the Supplemental Indenture.

Extraordinary Mandatory Redemption. The Series 2024 Bonds are subject to extraordinary mandatory redemption prior to maturity, in whole on any date or in part on any Quarterly Redemption Date, in the manner determined by the Bond Registrar at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption as follows:

(a) on or after the Date of Completion of the Series 2024 Project, by application of moneys transferred from the Series 2024 Acquisition and Construction Account to the Series 2024 Prepayment Subaccount in accordance with the terms of the Indenture; or

(b) from amounts, including Series 2024 Prepayment Principal and any excess amounts in the Series 2024 Reserve Account as a result of the deposit of such Series 2024 Prepayment Principal, required by the Indenture to be deposited into the Series 2024 Prepayment Subaccount; or

(c) on the date on which the amount on deposit in the Series 2024 Reserve Account, together with other moneys available therefor, are sufficient to pay and redeem all of the Series 2024 Bonds then Outstanding, including accrued interest thereon.

If less than all of the Series 2024 Bonds shall be called for redemption, the particular Series 2024 Bonds or portions of Series 2024 Bonds to be redeemed shall, unless otherwise provided in the Indenture, be selected by lot by the Bond Registrar as provided in the Indenture.

**EXHIBIT B**

**[\$Bond Amount] Waterset South Community Development District  
Special Assessment Revenue Bonds, Series 2024**

**DISCLOSURE STATEMENT**

[BPA Date]

Waterset South Community Development District  
Hillsborough County, Florida

Ladies and Gentlemen:

Pursuant to Chapter 218.385, Florida Statutes, and with respect to the issuance of the above-referenced bonds (the "Series 2024 Bonds"), MBS Capital Markets, LLC (the "Underwriter"), having purchased the Series 2024 Bonds pursuant to a Bond Purchase Agreement, dated as of [BPA Date] (the "Purchase Agreement"), between the Underwriter and Waterset South Community Development District (the "District"), makes the following disclosures in connection with the limited public offering and sale of the Series 2024 Bonds:

(a) The total underwriting discount paid to the Underwriter pursuant to the Purchase Agreement is \$[\_\_\_\_\_] (approximately [\_\_]%).

(b) The total amount of expenses estimated to be incurred by the Underwriter in connection with the issuance of the Series 2024 Bonds is \$[\_\_\_\_\_]. An itemization of these expenses is attached hereto as Schedule I.

(c) There are no "finders" as such term is used in Sections 218.385 and 218.386, Florida Statutes, in connection with the issuance of the Series 2024 Bonds.

(d) The components of the Underwriter's discount are as follows:

	Per \$1,000
Management Fee	_____
Takedown	
Expenses	_____

(e) There are no other fees, bonuses, or other compensation estimated to be paid by the Underwriter in connection with the Series 2024 Bonds to any person not regularly employed or retained by the Underwriter.

(f) The name and address of the Underwriter is set forth below:

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

We understand that you do not require any further disclosure from the Underwriter, pursuant to Section 218.385(6), Florida Statutes.

Very truly yours,

**MBS CAPITAL MARKETS, LLC**

By: \_\_\_\_\_  
Brett Sealy, Managing Partner

**SCHEDULE I**

**ESTIMATED EXPENSES TO BE INCURRED BY UNDERWRITER**

Travel Expenses

Communication

Day Loan

Clearance & Settlement Charges

CUSIP / DTC

Contingency

**Total**

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**EXHIBIT C**

**FORM OF CERTIFICATE OF DISTRICT**

The undersigned, as Chairperson and Assistant Secretary, respectively, of the Board of Supervisors (the "Board") of Waterset South Community Development District (the "District"), a local unit of special-purpose government duly established and validly existing under and pursuant to the Constitution and laws of the State of Florida, particularly Chapter 190, Florida Statutes (the "Act"), hereby certify to MBS Capital Markets, LLC (the "Underwriter"), in satisfaction of Section 8(c)(5) of the Bond Purchase Agreement, dated [BPA Date], between the District and the Underwriter (the "Purchase Agreement") in connection with the issuance by the District of its \$[Bond Amount] Waterset South Community Development District Special Assessment Revenue Bonds, Series 2024 (the "Series 2024 Bonds"), as follows (terms used and not otherwise defined herein shall have the meaning ascribed to such terms in the Purchase Agreement):

1. Amanda King is the duly appointed and acting Chairperson of, and Ruben Durand is a duly appointed and acting Assistant Secretary to, the Board, authorized by resolution of the Board pursuant to the Act to be custodian of all bonds, documents and papers filed with the District and the official seal of the District.

2. The following named persons are as of the date hereof the duly elected, qualified and acting members of the Board:

<u>Name</u>	<u>Term Expires November</u>
Amanda King*	2026
Pete Williams	2024
Deneen Klenke*	2026
Lynda McMorrow*	2024
John Blakley	2024

\*Affiliate or employee of NNP-Southbend II, LLC

3. The following named persons are the only designated, elected or appointed, qualified and acting officers of the Board, holding the office of appointment set forth opposite their names, respectively:

<u>Name</u>	<u>Title</u>
Amanda King	Chairperson
Pete Williams	Vice Chairperson
Deneen Klenke	Assistant Secretary
Lynda McMorrow	Assistant Secretary
John Blakley	Assistant Secretary
Scott Brizendine	Secretary/Treasurer
Ruben Durand	Assistant Secretary
Matt Huber	Assistant Secretary
Shawn Wildermuth	Assistant Treasurer



Each of said persons since his or her appointment as aforesaid has been and now is the duly designated and qualified officer of the Board holding the office set forth opposite his or her name, if required to file an oath of office, has done so, and if legally required to give a bond or undertaking has filed such bond or undertaking in form and amount required by law.

4. The seal, an impression of which appears below, is the only proper and official seal of the District.

5. At duly called and held meetings of the Board on August 9, 2022 and January [11], 2024, the Board duly adopted Resolution Nos. 2022-29 and 2024-[ ], respectively (collectively, the "Bond Resolution"), which Bond Resolution remains in full force and effect on the date hereof.

6. At duly called and held meetings of the Board on August 9, 2022, September 13, 2022 and [February 8], 2024, the Board duly adopted Resolution Nos. 2022-27, 2022-28, 2022-30 and 2024-\_\_ (collectively, the "Assessment Resolution"), which Assessment Resolution remains in full force and effect on the date hereof.

7. The above referenced meetings of the Board at which the Bond Resolution and Assessment Resolution were adopted were duly called in accordance with applicable law and at said meetings a quorum was present and acted throughout. All meetings of the Board at which the Board considered any matters related to the Bond Resolution, the Assessment Resolution, the Indenture, the Series 2024 Bonds or any documents related to the issuance of the Series 2024 Bonds have been open to the public and held in accordance with the procedures required by Section 189.015 and Chapter 286, Florida Statutes, and all laws amendatory thereof and supplementary thereto.

8. The District has complied with the provisions of Chapters 170, 190 and 197, Florida Statutes, related to the imposition, levy, collection and enforcement of the Series 2024 Assessments.

9. Upon authentication and delivery of the Series 2024 Bonds, the District will not be in default in the performance of the terms and provisions of the Bond Resolution, the Assessment Resolution or the Indenture.

10. Each of the representations and warranties made by the District in the Purchase Agreement is true and accurate on and as of this date.

11. The District has complied with all the agreements and satisfied all the conditions on its part to be complied with on or before the date hereof for delivery of the Series 2024 Bonds pursuant to the Purchase Agreement, the Bond Resolution, the Assessment Resolution and the Indenture.

12. To the best of our knowledge, since the date of the Limited Offering Memorandum, no material or adverse change has occurred in the business, properties, other assets or financial position of the District or results of operations of the District, and to the best of our knowledge, the District has not, since the date of the Limited Offering

Memorandum, incurred any material liabilities other than as set forth in or contemplated by the Limited Offering Memorandum.

13. To the best of our knowledge, the statements appearing in the Limited Offering Memorandum did not as of its date and do not as of the date hereof contain an untrue statement of a material fact or omit to state a material fact required to be included therein or necessary in order to make the statements contained therein, in light of the circumstances in which they were made, not misleading; provided, however, that no representation is made with respect to information concerning The Depository Trust Company or its book-entry only system, or concerning information in the Limited Offering Memorandum under the captions "SUITABILITY FOR INVESTMENT," "DESCRIPTION OF THE SERIES 2024 BONDS – Book-Entry Only System," "THE DISTRICT – District Manager and Other Consultants," "WATERSET," "THE SERIES 2024 ASSESSMENT AREA," "THE DEVELOPER," "TAX MATTERS," "LITIGATION – Developer," "CONTINUING DISCLOSURE – Developer Continuing Compliance," and "UNDERWRITING." Subject to the foregoing limitations, nothing has come to our attention which would lead us to believe that the Limited Offering Memorandum, as of its date or as of the date hereof contained an untrue statement of a material fact, or omitted to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading.

14. Except as set forth in the Limited Offering Memorandum, no litigation or other proceedings are pending or to the knowledge of the District threatened in or before any agency, court or tribunal, state or federal, (a) restraining or enjoining or seeking to restrain or enjoin the issuance, sale, execution or delivery of the Series 2024 Bonds or the imposition, levy and collection of the Series 2024 Assessments or the pledge thereof to the payment of the principal of, premium, if any, and interest on the Series 2024 Bonds, (b) questioning or affecting the validity of any provision of the Series 2024 Bonds, the Bond Resolution, the Assessment Resolution, the Financing Documents or the Series 2024 Assessments, (c) questioning or affecting the validity of any of the proceedings or the authority for the authorization, sale, execution or delivery of the Series 2024 Bonds, (d) questioning or affecting the organization or existence of the District or the title of any of its officers to their respective offices or any powers of the District under the laws of the State, (e) contesting or affecting the Series 2024 Assessments or the Series 2024 Project, (f) contesting the accuracy or completeness of the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum or any amendment or supplement thereto, (g) contesting the exclusion of interest on the Series 2024 Bonds from federal income taxation, or (h) contesting the exemption from taxation of the Series 2024 Bonds and the interest thereon under State law or the legality for investment therein.

15. To the best of our knowledge, the interest rates on the Series 2024 Bonds are in compliance with the requirements of Section 215.84(3), Florida Statutes.

[Remainder of Page Intentionally Left Blank]

**IN WITNESS WHEREOF**, we have executed this certificate and affixed the official seal of the District as of the [ ] day of February, 2024.

(SEAL)

By: \_\_\_\_\_  
Amanda King, Chairperson,  
Board of Supervisors  
Waterset South  
Community Development District

By: \_\_\_\_\_  
Ruben Durand, Assistant Secretary,  
Waterset South  
Community Development District

## EXHIBIT D

### FORM OF DISTRICT COUNSEL OPINION

[Closing Date]

Waterset South Community Development District  
Hillsborough County, Florida

MBS Capital Markets, LLC  
Winter Park, Florida

U.S. Bank Trust Company, National Association, as Trustee  
Orlando, Florida  
(solely for reliance upon Sections C.1 and C.3)

Re: Waterset South Community Development District \$[Bond Amount] Special  
Assessment Revenue Bonds, Series 2024

Ladies and Gentlemen:

We serve as counsel to the Waterset South Community Development District ("**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 \$[Bond Amount] Waterset South Community Development District Special Assessment Revenue Bonds, Series 2024 ("**Bonds**"). This letter is delivered to you pursuant to Section 207 of the Master Indenture (defined below), Section 207 of the Supplemental Trust Indenture (defined below), and Section 8(c)(8) of the Bond Purchase Agreement (referenced below), and is effective as of the date 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 No. 22-19, enacted by the Board of County Commissioners of Hillsborough County, Florida, which was effective as of July 27, 2022 ("**Establishment Ordinance**");
2. the *Master Trust Indenture*, dated as of December 1, 2022 ("**Master Indenture**"), as supplemented by the *Second Supplemental Trust Indenture*, dated as of February 1, 2024 ("**Supplemental Trust Indenture**," and together with the Master Indenture, "**Indenture**"), each by and between the District and U.S. Bank Trust Company, National Association, as trustee ("**Trustee**");
3. Resolution Nos. 2022-29 and 2024-[\_\_], adopted by the District on August 9, 2022 and January [11], 2024, respectively (collectively, "**Bond Resolution**");

4. the *Master Report of District Engineer, Master Capital Improvement Plan*, dated August 2022, and the *Supplemental District Engineer's Report, Series 2024 Project (2024 Assessment Area)* dated [October 2023] ("**Engineer's Report**"), which describes among other things, the "**Project**";
5. the *Master Special Assessment Allocation Report*, dated August 9, 2022, and the *Final Supplemental Special Assessment Allocation Report*, dated [BPA Date] (collectively, "**Assessment Methodology**");
6. Resolution Nos. 2022-27 and 2022-28 adopted by the District on August 9, 2022, Resolution No. 2022-30 adopted by the District on September 13, 2022 and Resolution No. 2024-\_\_ adopted by the District on [February 8], 2024 (collectively, "**Assessment Resolution**"), establishing the debt service special assessments ("**Debt Assessments**") securing the Bonds;
7. the *Final Judgment* issued on October 31, 2022, by the Circuit Court for the Thirteenth Judicial Circuit in and for Hillsborough County, Florida in Case No. 22-CA-006703, and Certificate of No Appeal issued on November 29, 2022;
8. the Preliminary Limited Offering Memorandum, dated [PLOM Date] ("**PLOM**") and Limited Offering Memorandum, dated [BPA Date] ("**LOM**");
9. certain certifications by MBS Capital Markets, LLC ("**Underwriter**"), as underwriter to the sale of the Bonds;
10. certain certifications of Heidt Design, LLC, as "**District Engineer**";
11. certain certifications of NNP-Southbend II, LLC, as "**Developer**";
12. certain certifications of Rizzetta & Company, Incorporated, as "**District Manager**" and "**Assessment Consultant**";
13. general and closing certificate of the District;
14. an opinion of Bryant Miller Olive P.A. ("**Bond Counsel**") issued to the District in connection with the sale and issuance of the Bonds;
15. an opinion of Holland & Knight LLP ("**Trustee Counsel**") issued to the District and Underwriter in connection with the sale and issuance of the Bonds;
16. an opinion of Mahoney Law Group, P.A. ("**Developer's Counsel**") issued to the District and the Underwriter in connection with the sale and issuance of the Bonds;
17. the following agreements ("**Bond Agreements**"):
  - (a) the [Acquisition Agreement (2024 Project)] between the District and the Developer, and dated [Closing Date];
  - (b) the Bond Purchase Agreement between the Underwriter and the District, and dated [BPA Date] ("**BPA**");
  - (c) the [Collateral Assignment and Assumption of Development and Contract Rights Relating to the Capital Improvement Program – Series 2024 Project] between the District and the Developer, and dated [Closing Date];
  - (d) the [Agreement By and Between the District and the Developer Regarding the Completion of Certain Improvements Related to the Capital Improvement Program], and dated [Closing Date];
  - (e) the Continuing Disclosure Agreement among the District, the Developer, and the dissemination agent, and dated [Closing Date];

- (f) the [Agreement Between the District and the Developer Regarding the True-Up and Payment of Series 2024 Assessments], and dated [Closing Date];
  - (g) the [Tri-Party Agreement Relating to Acknowledgment of Jurisdiction, Imposition of Special Assessments, and Subordination of Interests among the District, the Developer and NASH Financing, LLC], and dated [Closing Date];
18. the [Declaration of Consent to Jurisdiction of the District and to Imposition of Special Assessments] executed by the Developer, and dated [Closing Date]; and
  19. 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, the Assessment Consultant, Bond Counsel, the Underwriter, counsel to the Underwriter, the Developer, Developer's Counsel, and others relative to the LOM and the related documents described herein.

## B. RELIANCE

This opinion is solely for the benefit of the (i) District; (ii) Underwriter; and (iii) Trustee; however, the Trustee may only rely on this opinion for the limited purposes of the opinions stated in Sections C.1 and C.3. This opinion may not be relied on by any other party or for any other purpose without our prior written consent. 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.

## 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 of Florida, 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 Series 2024 Trust Estate to secure the Bonds as provided in the 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) Bonds, (c) Indenture, and (d) Bond Agreements (assuming due authorization, execution and delivery of documents (b) – (d) 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 Bonds have been validated by a final judgment of the Circuit Court in and for Hillsborough 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: "INTRODUCTION," "SUITABILITY FOR INVESTMENT," SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2024 BONDS – Agreement for Assignment of Development Rights," "– Completion Agreement" and "– True-Up Agreement," ENFORCEMENT OF ASSESSMENT COLLECTIONS," "THE DISTRICT" (excluding the subcaption "District Manager and Other Consultants"), "ASSESSMENT METHODOLOGY AND ALLOCATION OF ASSESSMENTS," "VALIDATION," "LITIGATION – District," "CONTINUING DISCLOSURE" (as it relates to the District only), "LEGALITY FOR INVESTMENT," and "AGREEMENT BY THE STATE," 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 Series 2024 Trust Estate 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 Project*** – The District has good right and lawful authority under the Act to undertake, finance, acquire, own, and operate the Project, subject to obtaining such licenses, orders or other authorizations as are, at the date of such opinion, required to be obtained from any agency or regulatory body.

#### **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, statistical or other similar information or data. We express no opinion as to compliance with any state or federal tax laws.

6. Except as set forth in Section C.9., we express no opinion and make no representations as to the Project, including but not limited to costs, estimates, projections, status, technical provisions, or anything else related to the Project.

7. We have not reviewed, and therefore express no opinion, regarding any land use, real property or other related items, including but not limited to the Developer's and/or any other landowner's ownership interests in any property within the District, whether the Developer and/or any other landowner owns any of the real property subject to the recordable Bond Agreements and/or Declaration of Consent, or whether the Developer is able to convey good and marketable title to any particular real property or interest therein.

8. 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 the District.

9. 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

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For the Firm

## EXHIBIT E

### FORM OF CERTIFICATE OF ASSESSMENT CONSULTANT

[Closing Date]

Waterset South Community Development District  
Hillsborough County, Florida

MBS Capital Markets, LLC  
Winter Park, Florida

I, William J. Rizzetta, President of Rizzetta & Company, Incorporated ("Rizzetta"), do hereby certify to Waterset South Community Development District (the "District") and MBS Capital Markets, LLC (the "Underwriter"), in connection with the issuance, sale and delivery by the District on this date of its \$[Bond Amount] Waterset South Community Development District Special Assessment Revenue Bonds, Series 2024 (the "Series 2024 Bonds") as follows (terms used and not otherwise defined herein shall have the meaning ascribed to such term in the Limited Offering Memorandum, dated [BPA Date] (the "Limited Offering Memorandum") of the District relating to the Series 2024 Bonds):

1. Rizzetta has been retained by the District to prepare the Master Special Assessment Allocation Report, dated August 9, 2022, and the Final Supplemental Special Assessment Allocation Report, dated [BPA Date], comprising a part of the assessment proceedings of the District (collectively, the "Report");

2. the Series 2024 Assessments when, as and if finally determined in accordance with the methodology set forth in such Report will be sufficient to meet the debt service requirements on the Series 2024 Bonds;

3. the Series 2024 Project provides a special benefit to the properties assessed and the Series 2024 Assessments are fairly and reasonably allocated to the properties assessed;

4. Rizzetta consents to the use of the Report included as Appendix B to the Limited Offering Memorandum;

5. Rizzetta consents to the references to the firm in the Limited Offering Memorandum;

6. the Report was prepared in accordance with all applicable provisions of State law;

7. except as disclosed in the Limited Offering Memorandum, Rizzetta knows of no material change in the matters described in the Report and is of the opinion that the considerations and assumptions used in compiling the Report are reasonable;

8. the information contained in the Report and in the Limited Offering Memorandum under the caption "ASSESSMENT METHODOLOGY AND ALLOCATION OF ASSESSMENTS" is true and correct in all material respects and such information did

not, and does not, contain any untrue statement of a material fact and did not, and does not, omit to state any fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading; and

9. 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.

**IN WITNESS WHEREOF**, the undersigned has executed this certificate as of the date set forth above.

**RIZZETTA & COMPANY, INCORPORATED**

By: \_\_\_\_\_  
William J. Rizzetta, President

**EXHIBIT F**  
**FORM OF CERTIFICATE OF CONSULTING ENGINEER**

[Closing Date]

Waterset South Community Development District  
Hillsborough County, Florida

MBS Capital Markets, LLC  
Winter Park, Florida

Re: Waterset South Community Development District Special Assessment  
Revenue Bonds, Series 2024 (the "Series 2024 Bonds")

Ladies and Gentlemen:

The undersigned serves as the Consulting Engineer to the Waterset South Community Development District (the "District"). This Certificate is furnished pursuant to Section 8(c)(18) of the Bond Purchase Agreement, dated [BPA Date], between the District and MBS Capital Markets, LLC (the "Purchase Agreement"), relating to the sale of the Series 2024 Bonds. Terms used herein in capitalized form and not otherwise defined herein shall have the meaning ascribed thereto in said Purchase Agreement or in the Limited Offering Memorandum, dated [BPA Date], relating to the Series 2024 Bonds (the "Limited Offering Memorandum").

1. Heidt Design, LLC (the "Firm"), has been retained by the District to serve as the Consulting Engineer and to prepare the Master Report of District Engineer, Master Capital Improvement Plan, dated August 2022, and the Supplemental District Engineer's Report, Series 2024 Project (2024 Assessment Area) dated [October 2023] (collectively, the "Report") included as an appendix to the Limited Offering Memorandum. Consent is hereby given to the references to the Firm and the Report in the Limited Offering Memorandum and to the inclusion of the Report as an appendix to the Limited Offering Memorandum.

2. The Report was prepared in accordance with generally accepted engineering practices. The cost estimates in the Report are fair, reasonable, and consistent with current market conditions, and do not exceed the lesser of the actual costs of completing the Series 2024 Project or fair market value thereof.

3. In connection with the preparation of the Report, personnel of the Firm participated in meetings with representatives of the District and its counsel, Bond Counsel, the Underwriter and its counsel and others in regard to the Series 2024 Project. The Series 2024 Project consists solely of infrastructure and other improvements set forth in the Act. Nothing has come to the attention of the Firm in relation to our engagement as described in this paragraph which would cause us to believe that the Report was, as of its date, or is, as of the date hereof, or any of the statements in the Limited Offering Memorandum specifically attributed to the Firm were, as of the date of the Limited Offering Memorandum, or are, as of the date hereof, inaccurate in any material respect.

4. The information contained in the Limited Offering Memorandum under the heading "THE CAPITAL IMPROVEMENT PROGRAM AND THE SERIES 2024 PROJECT" and in Appendix "A" to the Limited Offering Memorandum are accurate statements and fairly present the information purported to be shown, and nothing has come to the attention of the Firm that would lead it to believe that such section and appendix contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make such statements, in light of the circumstances in which they were made, not misleading.

5. Except as described in the Report, all permits, consents or licenses, and all notices to or filings with governmental agencies necessary for the construction and acquisition of the Series 2024 Project as described in the Limited Offering Memorandum required to be obtained or made have been obtained or made or it is reasonable to believe that they will be obtained or made when required. There is no reason to believe that any permits, consents, licenses or governmental approvals required to complete any portion of the Series 2024 Project as described in the Limited Offering Memorandum will not be obtained as required, and there is no reason to believe it is not feasible to complete the Series 2024 Project as planned. There is no reason to believe that the necessary water and sewer capacity will not be available when needed to permit the development of the Series 2024 Assessment Area as described in the Limited Offering Memorandum.

**HEIDT DESIGN, LLC**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

## EXHIBIT G

### FORM OF CERTIFICATE OF DISTRICT MANAGER AND DISSEMINATION AGENT

[Closing Date]

Waterset South Community Development District  
Hillsborough County, Florida

MBS Capital Markets, LLC  
Winter Park, Florida

I, William J. Rizzetta, President of Rizzetta & Company, Incorporated ("Rizzetta"), do hereby certify to Waterset South Community Development District (the "District") and MBS Capital Markets, LLC (the "Underwriter"), in connection with the issuance, sale and delivery by the District on this date of its \$[Bond Amount] Waterset South Community Development District Special Assessment Revenue Bonds, Series 2024 (the "Series 2024 Bonds"), as follows (terms used and not otherwise defined herein shall have the meaning ascribed to such term in the Limited Offering Memorandum, dated [BPA Date] (the "Limited Offering Memorandum") of the District relating to the Series 2024 Bonds):

1. Rizzetta has acted as District Manager to the District in connection with the issuance of the Series 2024 Bonds;

2. Rizzetta consents to the references to the firm in the Limited Offering Memorandum;

3. as District Manager, nothing has come to our attention that would lead us to believe that the Limited Offering Memorandum, as it relates to the District, or any information provided by us, as of its date 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;

4. as District Manager, 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 2024 Bonds, or in any way contesting or affecting the validity of the Series 2024 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 2024 Bonds, or the existence or powers of the District;

5. Rizzetta has agreed to serve as the initial Dissemination Agent for the District and undertake the obligations of the Dissemination Agent as set forth in the Disclosure Agreement. In its capacity as Dissemination Agent, Rizzetta is aware of the continuing disclosure requirements set forth in the Disclosure Agreement and Rule 15c2-12 and Rizzetta has policies and procedures in place to ensure its compliance with its obligations under the Disclosure Agreement; and

6. 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.

**IN WITNESS WHEREOF**, the undersigned has executed this certificate as of the date set forth above.

**RIZZETTA & COMPANY, INCORPORATED**

By: \_\_\_\_\_  
William J. Rizzetta, President



## EXHIBIT H

### FORM OF CERTIFICATE OF DEVELOPER

[Closing Date]

Waterset South Community Development District  
Hillsborough County, Florida

MBS Capital Markets, LLC  
Winter Park, Florida

The undersigned, the duly authorized representative of **NNP-SOUTHBEND II, LLC**, a Delaware limited liability company (the "Developer"), the developer of that portion of the master-planned community known as "Waterset" located within the District and subject to the Series 2024 Assessments (the "Series 2024 Assessment Area"), does hereby certify to the **WATERSET SOUTH COMMUNITY DEVELOPMENT DISTRICT** (the "District") and **MBS CAPITAL MARKETS, LLC** (the "Underwriter"), that:

1. This Certificate is furnished pursuant to Section 8(c)(20) of the Bond Purchase Agreement, dated [BPA Date], between the District and the Underwriter (the "Purchase Agreement"), relating to the sale by the District of its \$[Bond Amount] Waterset South Community Development District Special Assessment Revenue Bonds, Series 2024 (the "Series 2024 Bonds"). Capitalized terms used, but not defined, herein shall have the meaning assigned thereto in the Purchase Agreement.

2. The Developer is a limited liability company organized and existing under the laws of the State of Delaware and authorized to do business in the State of Florida.

3. Representatives of the Developer have provided information to the District and the Underwriter to be used in connection with the offering by the District of the Series 2024 Bonds, pursuant to a Preliminary Limited Offering Memorandum, dated [PLOM Date] (the "Preliminary Limited Offering Memorandum"), and a Limited Offering Memorandum, dated [BPA Date] (the "Limited Offering Memorandum" and, together with the Preliminary Limited Offering Memorandum, the "Limited Offering Memoranda").

4. The Financing Documents to which the Developer is a party constitute valid and binding obligations of the Developer enforceable against the Developer in accordance with their respective terms.

5. The Developer has reviewed and approved the information contained in the Limited Offering Memoranda under the captions "THE CAPITAL IMPROVEMENT PROGRAM AND THE SERIES 2024 PROJECT," "ASSESSMENT METHODOLOGY AND ALLOCATION OF ASSESSMENTS," "WATERSET," "THE SERIES 2024 ASSESSMENT AREA," "THE DEVELOPER," "LITIGATION – Developer", and "CONTINUING DISCLOSURE – Developer Continuing Compliance," and with respect to the Developer and the Series 2024 Assessment Area under the captions "INTRODUCTION" and "BONDOWNERS' RISKS" and warrants and represents that such information did not as of its date, 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 light of the circumstances under which they were made, not misleading. In addition, the Developer 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 Developer represents and warrants that it has complied with and will continue to comply with Section 190.048, Florida Statutes.

7. As of the date hereof, there has been no material adverse change in the business, properties, assets or financial condition of the Developer which has not been disclosed in the Limited Offering Memoranda and/or in all other information provided by the Developer to the Underwriter or the District.

8. The Developer hereby consents to the levy of the Series 2024 Assessments on the lands in the District owned by the Developer. The levy of the Series 2024 Assessments on the lands in the District owned by the Developer will not conflict with or constitute a breach of or default under any agreement, mortgage, lien or other instrument to which the Developer is a party or to which its property or assets are subject. The Developer agrees and acknowledges that the Series 2024 Assessments are valid and binding first liens on the real property on which they have been levied which is owned by the Developer.

9. The Developer 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 Developer 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 Developer acknowledges that the Series 2024 Bonds have the debt service requirements set forth in the Limited Offering Memorandum and that the Series 2024 Assessments will be levied by the District at times, and in amounts sufficient, to enable the District to pay debt service on the Series 2024 Bonds when due.

11. To the best of my knowledge, the Developer is not in default under any other resolution, ordinance, agreement or indenture, mortgage, lease, deed of trust, note or other instrument to which the Developer is subject or by which the Developer 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 or on the development of the Series 2024 Assessment Area, and further, the Developer is current in the payment of all ad valorem, federal and state taxes associated with the Series 2024 Assessment Area.

12. Except as otherwise disclosed in the Limited Offering Memoranda, there is no action, suit or proceeding at law or in equity by or before any court or public board or body pending or, solely to the best of my knowledge, threatened against the Developer (or any basis therefor) (a) seeking to restrain or enjoin the execution or delivery of the Financing Documents to which the Developer is a party, (b) contesting or affecting the validity or

enforceability of the Financing Documents, or any and all such other agreements or documents as may be required to be executed, or the transactions contemplated thereunder, or (c) contesting or affecting the establishment or existence of the Developer, or of the Developer's business, assets, property or conditions, financial or otherwise, or contesting or affecting any of the powers of the Developer.

13. To the best of my knowledge after due inquiry, the Developer is in compliance in all material respects with all provisions of applicable law in all material matters relating to the development of the Series 2024 Assessment Area as described in the Limited Offering Memoranda, including applying for all necessary permits. Except as otherwise described in the Limited Offering Memoranda, (a) the Series 2024 Assessment Area is zoned and properly designated for its intended use, (b) all government permits other than certain permits, which permits are expected to be received as needed, have been received, (c) the Developer is not aware of any default of any zoning condition, permit or development agreement which would adversely affect the Developer's ability to complete or cause the completion of development of the Series 2024 Assessment Area 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 development of the Series 2024 Assessment Area as described in the Limited Offering Memoranda will not be obtained as required.

14. The Developer acknowledges that it will have no rights under Chapter 170, Florida Statutes, to prepay, without interest, the Series 2024 Assessments imposed on lands in the District owned by the Developer within thirty (30) days following completion of the Series 2024 Project and acceptance thereof by the District.

15. The Developer has never failed to timely comply with disclosure obligations pursuant to SEC Rule 15c2-12, other than as noted in the Limited Offering Memorandum under the heading "CONTINUING DISCLOSURE" and the Developer is not insolvent.

**IN WITNESS WHEREOF**, the undersigned has executed this certificate for and on behalf of the Developer as of the date set forth above.

**NNP-SOUTHBEND II, LLC**,  
a Delaware limited liability company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**EXHIBIT I**

**FORM OF OPINION OF COUNSEL TO DEVELOPER**

[Closing Date]

Waterset South Community Development District  
Board of Supervisors  
Hillsborough County, Florida

MBS Capital Markets, LLC  
Winter Park, Florida

Re: Waterset South Community Development District \$[Bond Amount]  
Special Assessment Revenue Bonds, Series 2024 (the "**Bonds**")

Ladies and Gentlemen:

We have acted as counsel to NNP-Southbend II, LLC, a Delaware limited liability company ("**Developer**"), as to its development of the Waterset project located in unincorporated Hillsborough County, Florida ("**Development**"), a portion of which is located in the Waterset South Community Development District ("**District**"), in connection with the issuance of the Bonds ("**Bond Transaction**").

This opinion is delivered specifically in connection with the execution and delivery by Developer of the following documents, each of even date herewith, and all relating to the Bonds (collectively, the "**Developer Documents**"): (i) [Declaration of Consent to Jurisdiction of Waterset South Community Development District and to Imposition of Special Assessments]; (ii) Continuing Disclosure Agreement, by and among the Developer, the District, and Rizzetta & Company Incorporated; (iii) [Agreement By and Between the Waterset South Community Development District and NNP-Southbend II, LLC, Regarding the Completion of Certain Improvements Relating to the Capital Improvement Program]; (iv) [Agreement Between the Waterset South Community Development District and NNP-Southbend II, LLC, Regarding the True-Up and Payment of Series 2024 Assessments]; (v) [Collateral Assignment and Assumption of Development and Contract Rights Relating to the Capital Improvement Program-Series 2024 Project]; (vi) [Tri-Party Agreement Relating to Acknowledgement of Jurisdiction, Imposition of Special Assessments, and Subordination of Interests among the District, Developer and NASH Financing, LLC]; (vii) [Acquisition Agreement (2024 Project)] between Waterset South Community Development District and NNP-Southbend II, LLC; and (viii) Developer's Certificate (pursuant to Bond Purchase Agreement, dated [BPA Date]). Capitalized terms used but not defined in this opinion shall have the meanings ascribed to them in the Developer Documents or that certain Preliminary Limited Offering Memorandum, dated [PLOM Date], and that certain Limited Offering Memorandum, dated [BPA Date], both pertaining to the Bond Transaction (collectively, the "**Limited Offering Memoranda**").

Also, we have examined the following organizational documents, and such other organizational documents as we have deemed necessary or appropriate (collectively, the "**Developer Organizational Documents**"):

(a) Certificate of Formation of the Developer, filed with the Delaware Secretary of State on April 26, 2004, as File No. 5066203;

(b) Amended and Restated Limited Liability Company Agreement of Developer, dated December 30, 2011; and further amended by Amendment to Limited Liability Company Agreement, dated November 7, 2016 ("**Developer's Company Agreement**");

(c) Certificate of Good Standing as to Developer, issued by the Delaware Secretary of State on \_\_\_\_\_, 2024;

(d) Certificate of Active Status as to Developer, issued by the Florida Secretary of State on \_\_\_\_\_, 2024;

(e) Developer's Action by Written Consent of the Manager, dated \_\_\_\_\_, 2024, appointing officers of Developer; and

(f) Developer's Action by Written Consent of the Manager, dated \_\_\_\_\_, 2024, authorizing the Bond Transaction on behalf of the Developer.

We have made such examination of law as we have deemed necessary or appropriate in rendering the opinions set forth below. We have further relied upon certificates and representations made by the Developer, the Developer's representatives and the parties to this transaction described in the Limited Offering Memoranda.

The opinions hereinafter expressed are subject to the following qualifications:

A. The enforceability of the Developer Documents in accordance with their respective terms is subject to (i) the effect of any applicable bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium or other laws affecting creditors' rights and/or remedies generally, and (ii) general equitable principles which limit specific enforcement of, or indemnification provisions in, the Developer Documents. Our opinion as to enforceability of any document is, therefore, subject to limitations imposed by bankruptcy, insolvency, reorganization, moratorium, liquidation, readjustment of debt, or similar laws relating to or affecting creditors' rights and/or remedies generally and general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law), commercial reasonableness, good faith and the exercise of judicial discretion in appropriate cases.

B. Certain rights and remedies contained in the Developer Documents may be rendered ineffective, or limited, by applicable laws or judicial decisions governing such provisions, but such laws and judicial decisions do not, in our opinion, make the Developer Documents inadequate for the practical realization of the benefits intended to be provided by the Developer Documents.

C. We have examined the originals or copies of such records of Developer, certificates of public officials, the Developer Organizational Documents, and such other agreements, instruments and documents that we have deemed necessary as a basis for the opinions hereinafter expressed.

D. In rendering the foregoing opinions, we have assumed the accuracy and truthfulness of all public records and of all certifications, documents and other proceedings examined by us that have been executed or certified by the public officials acting within the scope of their official capacities and have not verified the accuracy or truthfulness thereof.

E. In rendering this opinion, we have assumed the genuineness of all signatures (other than those of Developer), the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as certified, conformed or photostatic copies, and the legal capacity of all natural persons.

F. Except for Developer, we have assumed that each other party to the Developer Documents has the requisite power and authority to enter into and perform its respective obligations under the Developer Documents, and has duly authorized and executed and delivered the respective Developer Documents, and that such Developer Documents are valid, binding and enforceable against such other parties.

G. We have assumed that the Developer Documents reviewed by us contain the entire agreement of the parties with respect to the subject matter thereof, and that there are no other oral or written agreements between the parties that would modify the Developer Documents.

H. As to any fact relevant to this opinion, we have relied solely upon representations of Developer. 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 limited representation of Developer in connection with the Bond Transaction. Whenever our opinion herein with respect to the existence or absence of facts is indicated to be based upon our knowledge or awareness, it is intended to signify that during the course of our limited representation of Developer as herein described, no information has come to our attention which would give us actual knowledge of the existence or absence of such facts.

I. The opinions expressed herein relate solely to Florida and Federal law as now existing. We express no opinion with regard to any matters which may be, or which purport to be, governed by the laws of any other state or jurisdiction.

J. Nothing herein shall be construed as an opinion regarding the possible applicability of Federal or state securities or "blue sky" laws, as to which no opinion is expressed.

K. We exclude from this opinion letter an opinion as to the applicability or effect of any Federal or state taxes, including income taxes, sales taxes and franchise fees.

L. We express no opinions other than those specifically set forth herein and no other opinions may be considered implied or inferred hereby.

Based upon the foregoing, and subject to the qualifications set forth herein, we are of the opinion that:

1. Developer is a Delaware limited liability company, duly organized, and in good standing under the laws of the State of Delaware and authorized to transact business in the State of Florida.

2. Developer has the power to conduct its business and to undertake the portion of the development of Waterset located in the Series 2024 Assessment Area as described in the Limited Offering Memoranda, and to enter into the Developer Documents.

3. The Developer Documents have been authorized by all necessary limited liability company action, executed and delivered by Developer and, assuming the due authorization, execution and delivery of each Developer Document by the other parties thereto, the Developer Documents constitute legal, valid and binding obligations of Developer, enforceable in accordance with their respective terms.

4. The execution, delivery and performance of the Developer Documents by Developer do not violate (a) Developer's Company Agreement, (b) to our knowledge, any agreement, instrument or Federal or Florida law, rule or regulation known to us to which Developer is a party or by which Developer's assets are or may be bound, or (c) to our knowledge, any judgment, decree or order of any administrative tribunal, which judgment, decree, or order is binding on Developer or its assets.

5. Nothing has come to our attention that would lead us to believe the information contained in the Limited Offering Memoranda under the captions "WATERSET," "THE SERIES 2024 ASSESSMENT AREA," "THE DEVELOPER," "LITIGATION – Developer," and "CONTINUING DISCLOSURE – Developer Continuing Compliance" does not accurately and fairly present the information purported to be shown or contains any untrue statement of a material fact, nor omits to state any material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading as of the respective dates of the Limited Offering Memoranda or as of the date hereof.

6. To our knowledge based on a certificate of Developer, the levy of the Series 2024 Assessments on lands within the District will not conflict with or constitute a breach of or default under any agreement, indenture or other instrument to which Developer is a party or to which Developer or any of its property or assets is subject.

7. To our knowledge based on a certificate of Developer, there is no threatened litigation which would prevent or prohibit the development of the Series 2024 Assessment Area in accordance with the description thereof in the Limited Offering Memoranda and the Engineer's Report annexed thereto, or which may result in any material adverse change in the business, properties, assets or financial condition of Developer.

8. To our knowledge based on a certificate of Developer, Developer 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. To our knowledge, Developer 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. To our knowledge based on a certificate of Developer, Developer is not in default under any mortgage, trust indenture, lease or other instrument to which it or any of its assets is subject, which default would have a material adverse effect on the Bonds or the development of the District Lands.

10. Based on our review of Hillsborough County Board of County Commissioner's Resolution No. R20-027 - Amended and Restated Development Order for Waterset (DRI #266) and the Final Conditions of Approval, each approved by the Hillsborough County Board of County Commissioners on March 10, 2020, we are of the opinion that the Series 2024 Assessment Area is zoned. Except as disclosed in the Limited Offering Memorandum, to our knowledge, there is no default by Developer of any zoning condition, permit or development agreement which would adversely affect the Developer's ability to complete development of the Series 2024 Project as described in the Limited Offering Memorandum.

This opinion letter speaks only as of the date hereof and we assume no obligation to update or supplement this opinion letter if any applicable laws change after the date of this opinion letter or if we become aware after the date of this opinion letter of any facts, whether existing before or arising after the date hereof, that might change the opinions expressed above.

We have no obligation to update this opinion letter or otherwise advise you with respect to any event or circumstance arising after the date hereof or with respect to events or circumstances occurring prior to the date hereof which are not known to us but of which we subsequently become aware. This opinion letter is provided as a legal opinion only and not as a guaranty or warranty of the matters discussed herein or in documents referred to herein. No opinion may be inferred or implied beyond the matters expressly stated herein.

This opinion letter has been prepared and is to be construed in accordance with the Report on Third-Party Legal Opinion Customary Practice in Florida, dated December 3, 2011 (the "**Report**"). The Report is incorporated by reference into this opinion letter.

This opinion is solely for the benefit of the addressees in connection with the Bond Transaction and this opinion may not be relied upon in any manner, nor used, by any other persons or entities or for any other purpose.

Very truly yours,

MAHONEY LAW GROUP, P.A.

Jessica Paz Mahoney  
For the Firm

cc: NNP-Southbend II, LLC



## EXHIBIT J

### FORM OF ISSUE PRICE CERTIFICATE

#### WATERSET SOUTH COMMUNITY DEVELOPMENT DISTRICT \$[Bond Amount] Special Assessment Revenue Bonds, Series 2024

The undersigned, on behalf of **MBS CAPITAL MARKETS, LLC** ("MBS"), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the "Series 2024 Bonds"). Capitalized terms shall have the meaning ascribed in Section 2 hereof.

MBS and the District entered into a Bond Purchase Agreement on the Sale Date in connection with the sale of the Series 2024 Bonds (the "Purchase Agreement"). Pursuant to the terms of the Purchase Agreement, MBS made a bona fide limited offering of the Series 2024 Bonds to a portion of the Public representing accredited investors as required by Florida law at the prices or yields for each such maturity as shown on the cover page of the Limited Offering Memorandum, dated [BPA Date], relating to the Series 2024 Bonds.

1. Sale of the Series 2024 Bonds. As of the date of this certificate, for each Maturity of the Series 2024 Bonds, the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Schedule A.

2. Defined Terms.

(a) *District* means Waterset South Community Development District.

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

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

(d) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Series 2024 Bonds. The Sale Date of the Series 2024 Bonds is [BPA Date].

(e) *Underwriter* means (i) any person that agrees pursuant to a written contract with the District to participate in the initial sale of the Series 2024 Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Series 2024 Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Series 2024 Bonds to the Public).

3. Reserve Account. A reserve account in an amount equal to the Series 2024 Reserve Account Requirement was necessary in order to market and sell the Series 2024 Bonds given the nature of the Series 2024 Bonds which are secured by special assessments and the delinquent assessment collection procedures related thereto.

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

**MBS CAPITAL MARKETS, LLC**

By: \_\_\_\_\_  
Brett Sealy, Managing Partner

Dated: [Closing Date]

**SCHEDULE A**  
**SALE PRICES OF THE SERIES 2024 BONDS**  
*(Attached)*

**PRELIMINARY LIMITED OFFERING MEMORANDUM DATED JANUARY [ ], 2024**

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

**NOT RATED**

*In the opinion of Bond Counsel, assuming compliance by the District with certain covenants, under existing statutes, regulations, and judicial decisions, the interest on the Series 2024 Bonds will be excluded from gross income for federal income tax purposes of the holders thereof and will not be an item of tax preference for purposes of the federal alternative minimum tax; however, [for tax years beginning after December 31, 2022,] interest on the Series 2024 Bonds may be included in the "adjusted financial statement income" of certain "applicable corporations" that are subject to the 15-percent alternative minimum tax under section 55 of the Code. See "TAX MATTERS" herein for a description of other tax consequences to holders of the Series 2024 Bonds.*

**WATERSET SOUTH COMMUNITY DEVELOPMENT DISTRICT  
(Hillsborough County, Florida)**

**\$8,370,000\* Special Assessment Revenue Bonds, Series 2024**

**Dated: Date of original issuance**

**Due: May 1, as shown below**

The \$8,370,000\* Waterset South Community Development District Special Assessment Revenue Bonds, Series 2024 (the "Series 2024 Bonds") are being issued by the Waterset South Community Development District (the "District") pursuant to a Master Trust Indenture dated as of December 1, 2022 (the "Master Indenture"), between the District and U.S. Bank Trust Company, National Association, as trustee (the "Trustee"), as supplemented by a Second Supplemental Trust Indenture dated as of February 1, 2024, between the District and the Trustee (the "Supplemental Indenture" and, together with the Master Indenture, the "Indenture"). Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Indenture.

The Series 2024 Bonds are being issued only in fully registered form, in denominations of \$5,000 or any integral multiple thereof; provided, however, that the Series 2024 Bonds shall be delivered to the initial purchasers thereof in minimum aggregate principal amounts of \$100,000 and integral multiples of \$5,000 in excess of \$100,000. The District was created pursuant to the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes (the "Act"), the Florida Constitution, and other applicable provisions of law, and established by Ordinance No. 22-19, enacted by the Board of County Commissioners of Hillsborough County, Florida (the "County"), on July 26, 2022, effective on July 27, 2022 (the "Ordinance").

The Series 2024 Bonds are payable from and secured by the Series 2024 Trust Estate, which includes the Series 2024 Pledged Revenues and the Series 2024 Pledged Funds. The Series 2024 Pledged Revenues consist of the revenues received by the District from the Series 2024 Assessments (as further described herein). The Series 2024 Pledged Funds include all of the Funds and Accounts (except for the Series 2024 Rebate Account) established by the Indenture. See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2024 BONDS" herein.

The Series 2024 Bonds, when issued, will be registered in the name of Cede & Co., as the Owner and Nominee for The Depository Trust Company ("DTC"), New York, New

York. Purchases of beneficial interests in the Series 2024 Bonds will be made in book-entry only form. Accordingly, principal of and interest on the Series 2024 Bonds will be paid from the sources provided herein by the Trustee directly to Cede & Co. as the Nominee of DTC and the registered Owner thereof. Disbursements of such payments to the DTC Participants (as defined herein) is the responsibility of DTC and disbursements of such payments to the Beneficial Owners is the responsibility of DTC Participants and the Indirect Participants (as defined herein), as more fully described herein. Any purchaser as a Beneficial Owner of a Series 2024 Bond must maintain an account with a broker or dealer who is, or acts through, a DTC Participant to receive payment of the principal of and interest on such Series 2024 Bond. See "DESCRIPTION OF THE SERIES 2024 BONDS – Book-Entry Only System" herein. The Series 2024 Bonds will bear interest at the fixed rates set forth below, calculated on the basis of a 360-day year of twelve 30-day months. Interest on the Series 2024 Bonds is payable semi-annually on each May 1 and November 1, commencing May 1, 2024.

**The Series 2024 Bonds are subject to optional, mandatory 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 2024 BONDS – Redemption Provisions" herein.**

The Series 2024 Bonds are being issued to (a) finance a portion of the Cost of the Series 2024 Project (as defined herein), (b) pay certain costs associated with the issuance of the Series 2024 Bonds, (c) make a deposit into the Series 2024 Reserve Account to be held for the benefit of all of the Series 2024 Bonds, without privilege or priority of one Series 2024 Bond over another, and (d) pay a portion of the interest to become due on the Series 2024 Bonds.

NEITHER THE SERIES 2024 BONDS NOR THE INTEREST AND PREMIUM, IF ANY, PAYABLE THEREON SHALL CONSTITUTE A GENERAL OBLIGATION OR GENERAL INDEBTEDNESS OF THE DISTRICT WITHIN THE MEANING OF THE CONSTITUTION AND LAWS OF FLORIDA. THE SERIES 2024 BONDS AND THE INTEREST AND PREMIUM, IF ANY, PAYABLE THEREON DO NOT CONSTITUTE EITHER A PLEDGE OF THE FULL FAITH AND CREDIT OF THE DISTRICT OR A LIEN UPON ANY PROPERTY OF THE DISTRICT OTHER THAN AS PROVIDED IN THE INDENTURE. NO OWNER OR ANY OTHER PERSON SHALL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY AD VALOREM TAXING POWER OF THE DISTRICT OR ANY OTHER PUBLIC AUTHORITY OR GOVERNMENTAL BODY TO PAY DEBT SERVICE OR TO PAY ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE INDENTURE OR THE SERIES 2024 BONDS. RATHER, DEBT SERVICE AND ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE INDENTURE OR THE SERIES 2024 BONDS SHALL BE PAYABLE FROM, AND SHALL BE SECURED SOLELY BY, THE SERIES 2024 TRUST ESTATE PLEDGED TO THE SERIES 2024 BONDS, ALL AS PROVIDED IN THE SERIES 2024 BONDS AND IN THE INDENTURE.

THE SERIES 2024 BONDS INVOLVE A DEGREE OF RISK (SEE "BONDOWNERS' RISKS" HEREIN) AND ARE NOT SUITABLE FOR ALL INVESTORS (SEE "SUITABILITY FOR INVESTMENT" HEREIN). THE UNDERWRITER IS LIMITING THE OFFERING OF THE SERIES 2024 BONDS TO ACCREDITED INVESTORS WITHIN THE MEANING OF THE RULES OF THE FLORIDA DEPARTMENT OF FINANCIAL SERVICES. HOWEVER, THE LIMITATION OF THE

INITIAL OFFERING OF THE SERIES 2024 BONDS TO ACCREDITED INVESTORS DOES NOT DENOTE RESTRICTIONS ON TRANSFERS IN ANY SECONDARY MARKET FOR THE SERIES 2024 BONDS. THE SERIES 2024 BONDS ARE NOT CREDIT ENHANCED AND ARE NOT RATED AND NO APPLICATION HAS BEEN MADE FOR CREDIT ENHANCEMENT OR A RATING WITH RESPECT TO THE SERIES 2024 BONDS, NOR IS THERE ANY REASON TO BELIEVE THAT THE DISTRICT WOULD HAVE BEEN SUCCESSFUL IN OBTAINING EITHER CREDIT ENHANCEMENT OR A RATING FOR THE SERIES 2024 BONDS HAD APPLICATION BEEN MADE.

This cover page contains information for quick reference only. It is not, and is not intended to be, a summary of the Series 2024 Bonds. Investors must read this entire Limited Offering Memorandum, including the appendices attached hereto, to obtain information essential to the making of an informed investment decision.

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

\$ \_\_\_\_\_ % Term Series 2024 Bond Due May 1, 20\_\_ Yield \_\_\_% Price \_\_\_\_\_ CUSIP No.† \_\_\_\_\_  
 \$ \_\_\_\_\_ % Term Series 2024 Bond Due May 1, 20\_\_ Yield \_\_\_% Price \_\_\_\_\_ CUSIP No.† \_\_\_\_\_  
 \$ \_\_\_\_\_ % Term Series 2024 Bond Due May 1, 20\_\_ Yield \_\_\_% Price \_\_\_\_\_ CUSIP No.† \_\_\_\_\_  
 \$ \_\_\_\_\_ % Term Series 2024 Bond Due May 1, 20\_\_ Yield \_\_\_% Price \_\_\_\_\_ CUSIP No.† \_\_\_\_\_

*The Series 2024 Bonds are offered for delivery when, as and if issued by the District and accepted by the Underwriter, subject to the receipt of the opinion of Bryant Miller Olive P.A., Orlando, Florida, Bond Counsel, as to the validity of the Series 2024 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 Developer by its counsel, Mahoney Law Group, P.A., Clearwater, Florida, for the Trustee by its counsel, Holland & Knight LLP, Miami, Florida, and for the Underwriter by its counsel, Nabors, Giblin & Nickerson, P.A., Tampa, Florida. It is expected that the Series 2024 Bonds will be available for delivery through the facilities of DTC on or about \_\_\_\_\_, 2024.*

**MBS Capital Markets, LLC**

Dated: \_\_\_\_\_, 2024

\* Preliminary, subject to change.

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

## **RED HERRING LANGUAGE**

This Preliminary Limited Offering Memorandum and the information contained herein are subject to completion or amendment. The Series 2024 Bonds may not be sold nor may offers to buy be accepted prior to the time the Limited Offering Memorandum is delivered in final form. Under no circumstances shall this Preliminary Limited Offering Memorandum constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of the Series 2024 Bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

**WATERSET SOUTH COMMUNITY DEVELOPMENT DISTRICT**

**BOARD OF SUPERVISORS**

Amanda King\*, Chairperson  
Pete Williams, Vice Chairperson  
Deneen Klenke\*, Assistant Secretary  
Lynda McMorrow\*, Assistant Secretary  
John Blakley, Assistant Secretary

**DISTRICT MANAGER/ASSESSMENT CONSULTANT**

Rizzetta & Company, Incorporated  
Tampa, Florida

**DISTRICT COUNSEL**

Kutak Rock LLP  
Tallahassee, Florida

**CONSULTING ENGINEER**

Heidt Design, LLC  
Tampa, Florida

**BOND COUNSEL**

Bryant Miller Olive P.A.  
Orlando, Florida

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



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

No dealer, broker, salesperson or other person has been authorized by the District, Hillsborough County, Florida, the State of Florida or the Underwriter (as defined herein) to give any information or to make any representations other than those contained in this Limited Offering Memorandum and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Limited Offering Memorandum does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2024 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained from the District, the District Manager, the Consulting Engineer, the Assessment Consultant, the Developer (each as defined herein) and other sources that are believed by the Underwriter to be reliable.

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

At closing, the District, the District Manager, the Consulting Engineer, the Assessment Consultant, and the Developer will each deliver certificates certifying that certain of the information supplied by each does not contain any untrue statement of a material fact or omit to state a material fact required to be stated herein or necessary to make the statements herein, in light of the circumstances under which they were made, not misleading. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Limited Offering Memorandum, nor any sale made hereunder, shall, under any circumstances, create any implication that there has been no change with respect to the matters described herein since the date hereof.

The Series 2024 Bonds have not been registered with the Securities and Exchange Commission under the Securities Act of 1933, as amended, nor has the Indenture been qualified under the Trust Indenture Act of 1939, as amended, in reliance upon certain exemptions set forth in such acts. The registration, qualification or exemption of the Series 2024 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, Hillsborough County, Florida, the State of Florida, nor any of its subdivisions or agencies have guaranteed or passed upon the merits of the Series 2024 Bonds, upon the probability of any earnings thereon or upon the accuracy or adequacy of this Limited Offering Memorandum.

Certain statements included or incorporated by reference in this Limited Offering Memorandum constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Exchange Act of 1934, as amended, and Section 27A of the Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "project," "anticipate," "budget," or other similar words. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from

any future results, performance or achievements expressed or implied by such forward-looking statements. The District and the Developer do not plan to issue any updates or revisions to those forward-looking statements if or when any of their expectations, events, conditions or circumstances on which such statements are based occur, other than as described under "CONTINUING DISCLOSURE" herein.

The order and placement of materials in this Limited Offering Memorandum, including the appendices, are not to be deemed a determination of relevance, materiality or importance, and this Limited Offering Memorandum, including the appendices, must be considered in its entirety. The captions and headings in this Limited Offering Memorandum are for convenience of reference only and in no way define, limit or describe the scope or intent, or affect the meaning or construction, of any provisions or sections in this Limited Offering Memorandum.

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

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

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

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

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APPENDIX E	FORM OF CONTINUING DISCLOSURE AGREEMENT

# LIMITED OFFERING MEMORANDUM

relating to

## **WATERSET SOUTH COMMUNITY DEVELOPMENT DISTRICT (Hillsborough County, Florida) \$8,370,000\* Special Assessment Revenue Bonds, Series 2024**

### INTRODUCTION

The purpose of this Limited Offering Memorandum, including the cover page and appendices hereto, is to set forth certain information concerning the Waterset South Community Development District (the "District") in connection with the offering and issuance by the District of its \$8,370,000\* Special Assessment Revenue Bonds, Series 2024 (the "Series 2024 Bonds").

The Series 2024 Bonds are being issued pursuant to the Act (hereinafter defined) and a Master Trust Indenture dated as of December 1, 2022 (the "Master Indenture"), between the District and U.S. Bank Trust Company, National Association, as trustee (the "Trustee"), as supplemented by a Second Supplemental Trust Indenture dated as of February 1, 2024, between the District and the Trustee (the "Supplemental Indenture" and, together with the Master Indenture, the "Indenture"), and resolutions adopted by the Board of Supervisors of the District (the "Board") on August 9, 2022 and January [11], 2024, authorizing the issuance of the Series 2024 Bonds. All capitalized terms used in this Limited Offering Memorandum that are defined in the Indenture and not defined herein shall have the respective meanings set forth in the Indenture, which appears in composite APPENDIX C attached hereto.

The District was created pursuant to the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes (the "Act"), the Florida Constitution, and other applicable provisions of law, and established by Ordinance No. 22-19, enacted by the Board of County Commissioners of Hillsborough County, Florida (the "County"), on July 26, 2022, effective on July 27, 2022 (the "Ordinance"). The District was established for the purpose, among other things, of financing and managing the acquisition, construction, installation, maintenance, and operation of the major infrastructure within and without the boundaries of the District. The boundaries of the District include approximately 759 acres of land located entirely within an unincorporated area of the County (the "District Lands"). For more complete information about the District, the Board and the District Manager (hereinafter defined), see "THE DISTRICT" herein.

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

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\* Preliminary, subject to change.

Under the Constitution and laws of the State of Florida (the "State"), including the Act, the District has the power and authority to levy non-ad valorem assessments upon the District Lands and to issue bonds for the purposes of providing community development services and facilities, including those financed with the proceeds of the Series 2024 Bonds as described herein.

Consistent with the requirements of the Indenture and the Ordinance, the Series 2024 Bonds are being issued to (a) finance a portion of the Cost of the Series 2024 Project (hereinafter defined), (b) pay certain costs associated with the issuance of the Series 2024 Bonds, (c) make a deposit into the Series 2024 Reserve Account to be held for the benefit of all of the Series 2024 Bonds, without privilege or priority of one Series 2024 Bond over another, and (d) pay a portion of the interest to become due on the Series 2024 Bonds.

The District is currently planned to include 1,641 residential units in a conventional home neighborhood and active adult neighborhood within a larger master-planned community known as "Waterset." The capital improvement program for the District (the "CIP") consists of certain infrastructure improvements for the benefit of the District Lands, including earthwork, roadway improvements, stormwater management facilities, off-site roadway improvements, potable water and wastewater facilities, reclaimed water facilities, landscaping and sidewalk improvements, recreational facilities, and associated professional fees and contingency. The portion of the CIP benefiting Phases G-2 and B within the District which is planned for 485 single-family units (the "Series 2024 Assessment Area") is hereinafter referred to as the "Series 2024 Project." See "THE CAPITAL IMPROVEMENT PROGRAM AND THE SERIES 2024 PROJECT" and "THE SERIES 2024 ASSESSMENT AREA" herein.

The Series 2024 Bonds are payable from and secured by the Series 2024 Trust Estate, including the revenues received by the District from the Series 2024 Assessments and amounts in the Funds and Accounts (except for the Series 2024 Rebate Account) established by the Indenture. The Series 2024 Assessments will initially be levied against the approximately 234.5 acres of assessable land within the Series 2024 Assessment Area anticipated to be developed into 485 single-family units that are all subject to assessment as a result of the Series 2024 Project as described in the Assessment Report (hereinafter defined).

The Series 2024 Assessments represent an allocation of the costs of the Series 2024 Project, including bond financing costs, to certain lands within the District in accordance with the Assessment Report. The Assessment Report and assessment resolutions with respect to the Series 2024 Assessments (collectively, the "Assessment Proceedings") permit the prepayment in part or in full of the Series 2024 Assessments at any time without penalty, together with interest at the rate on the corresponding Series 2024 Bonds to the Quarterly Redemption Date that is more than forty-five (45) days next succeeding the date of prepayment. See "ASSESSMENT METHODOLOGY AND ALLOCATION OF ASSESSMENTS" herein and "APPENDIX B – ASSESSMENT REPORT" attached hereto.

Subsequent to the issuance of the Series 2024 Bonds, the District may cause one or more Series of Bonds to be issued pursuant to the Master Indenture, subject to the terms and conditions thereof. Bonds may be issued for the purpose of paying all or part of the Cost of a Series Project or refunding an Outstanding Series of Bonds or any portion thereof. The District covenants and agrees in the Supplemental Indenture that so long as there are

any Series 2024 Bonds Outstanding, it shall not cause or permit to be caused any lien, charge or claim against the Series 2024 Trust Estate other than Bonds issued to refund the Outstanding Series 2024 Bonds. The District further covenants and agrees in the Supplemental Indenture that so long as the Series 2024 Assessments have not been Substantially Absorbed, it shall not issue any Additional Bonds secured by Assessments for capital projects on lands subject at such time to the Series 2024 Assessments without the consent of the Majority Owners; provided, however, that the foregoing shall not preclude the imposition of capital Assessments at any time on property subject to the Series 2024 Assessments which the District certifies are necessary for health, safety, and welfare reasons, to remediate a natural disaster, imposed prior to the issuance of the Series 2024 Bonds, or Operation and Maintenance Assessments. "Substantially Absorbed" is defined in the Supplemental Indenture to mean the date on which the principal amount of the Series 2024 Assessments equaling at least ninety percent (90%) of the then-Outstanding principal amount of the Series 2024 Bonds is levied on tax parcels within the District with respect to which a certificate of occupancy has been issued for a structure thereon and are owned by end users, as certified by an Authorized Officer and upon which the Trustee may conclusively rely. See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2024 BONDS – No Parity Bonds; Limitation on Parity Assessments" herein.

There follows in this Limited Offering Memorandum a brief description of the District, Waterset and the Series 2024 Assessment Area, together with summaries of the terms of the Series 2024 Bonds, the Indenture and certain provisions of the Act. All references herein to the Indenture and the Act are qualified in their entirety by reference to such documents and statutes and all references to the Series 2024 Bonds are qualified by reference to the definitive forms thereof and the information with respect thereto contained in the Indenture, which appears in composite APPENDIX C attached hereto.

### **SUITABILITY FOR INVESTMENT**

Investment in the Series 2024 Bonds poses certain economic risks. No dealer, broker, salesperson or other person has been authorized by the District or MBS Capital Markets, LLC (the "Underwriter"), to give any information or make any representations, other than those contained in this Limited Offering Memorandum. Additional information will be made available to each prospective investor, including the benefit of a site visit to the District, and the opportunity to ask questions of the District, as such prospective investor deems necessary in order to make an informed decision with respect to the purchase of the Series 2024 Bonds. Prospective investors are encouraged to request such additional information, visit the District and ask such questions.

While the Series 2024 Bonds are not subject to registration under the Securities Act of 1933, as amended (the "Securities Act"), the Underwriter has determined that the Series 2024 Bonds are not suitable for investment by persons other than, and, as required by Chapter 189, Florida Statutes, will offer the Series 2024 Bonds only to, "accredited investors," as such term is utilized in Chapter 517, Florida Statutes, and the rules promulgated thereunder. However, the limitation of the initial offering to accredited investors does not denote restrictions on transfers in any secondary market for the Series 2024 Bonds. Prospective investors in the Series 2024 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 2024 Bonds and should have the ability to bear the economic risks of such prospective investment, including a complete loss of such investment.

## **DESCRIPTION OF THE SERIES 2024 BONDS**

### **General Description**

The Series 2024 Bonds are issuable as fully registered bonds, without coupons, in denominations of \$5,000 or any integral multiple thereof; provided, however, that the Series 2024 Bonds shall be delivered to the initial purchasers thereof in minimum aggregate principal amounts of \$100,000 and integral multiples of \$5,000 in excess of \$100,000.

The Series 2024 Bonds will be dated their date of issuance and delivery to the initial purchasers thereof and will bear interest payable on each May 1 and November 1, commencing May 1, 2024 (each, an "Interest Payment Date") and shall be computed on the basis of a 360-day year of twelve 30-day months. The Series 2024 Bonds will mature on May 1 of such years, in such amounts and at such rates as set forth on the cover page of this Limited Offering Memorandum.

Interest on the Series 2024 Bonds shall be payable on each Interest Payment Date to maturity or prior redemption. Each Series 2024 Bond shall bear interest from the Interest Payment Date to which interest has been paid next preceding the date of its authentication, unless the date of its authentication (a) is an Interest Payment Date to which interest on such Series 2024 Bond has been paid, in which event such Series 2024 Bond shall bear interest from its date of authentication, or (b) is prior to the first Interest Payment Date for the Series 2024 Bonds, in which event, such Series 2024 Bond shall bear interest from its date.

Debt Service on each Series 2024 Bond will be payable on each Interest Payment Date in any coin or currency of the United States of America which, at the date of payment thereof, is legal tender for the payment of public and private debts. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in the Indenture, be paid to the registered Owner at the close of business on the regular Record Date for such interest, which shall be the fifteenth (15<sup>th</sup>) day of the calendar month next preceding such Interest Payment Date, or, if such day is not a Business Day on the Business Day immediately preceding such day; provided, however, that on or after the occurrence and continuance of an Event of Default under clause (a) of Section 902 of the Master Indenture, the payment of interest and principal or Redemption Price or Amortization Installments shall be made by the Paying Agent (hereinafter defined) to such person who, on a special record date which is fixed by the Trustee, which shall be not more than fifteen (15) and not less than ten (10) days prior to the date of such proposed payment, appears on the registration books of the Bond Registrar as the registered Owner of a Series 2024 Bond. Any payment of principal, Maturity Amount or Redemption Price shall be made only upon presentation thereof at the designated corporate trust office of U.S. Bank Trust Company, National Association, located in Orlando, Florida, or any alternate or successor paying agent (collectively, the "Paying Agent"), unless the Series 2024 Bonds are held in the book-entry system in which case presentation shall not be required. Payment of

interest shall be made by check or draft (or by wire transfer to the registered Owner if such Owner requests such method of payment in writing on or prior to the regular Record Date for the respective interest payment to such account as shall be specified in such request, but only if the registered Owner owns not less than \$1,000,000 in aggregate principal amount of the Series 2024 Bonds).

The Series 2024 Bonds will initially be registered in the name of Cede & Co., as Nominee for The Depository Trust Company ("DTC"), which will act initially as securities depository for the Series 2024 Bonds and, so long as the Series 2024 Bonds are held in book-entry only form, Cede & Co. will be considered the registered Owner for all purposes hereof. See "- Book-Entry Only System" below for more information about DTC and its book-entry only system.

**Redemption Provisions**

*Optional Redemption.* The Series 2024 Bonds are subject to redemption prior to maturity at the option of the District in whole or in part on any date on or after May 1, 20\_\_, at the Redemption Price of the principal amount of the Series 2024 Bonds or portions thereof to be redeemed together with accrued interest to the date of redemption.

*Mandatory Sinking Fund Redemption.* The Series 2024 Bond maturing May 1, 20\_\_, is subject to mandatory redemption in part by the District by lot prior to its scheduled maturity from moneys in the Series 2024 Sinking Fund Account established under the Supplemental Indenture in satisfaction of applicable Amortization Installments at the Redemption Price of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

May 1 of the Year	Amortization Installment	May 1 of the Year	Amortization Installment
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\* Final maturity

The Series 2024 Bond maturing May 1, 20\_\_, is subject to mandatory redemption in part by the District by lot prior to its scheduled maturity from moneys in the Series 2024 Sinking Fund Account established under the Supplemental Indenture in satisfaction of applicable Amortization Installments at the Redemption Price of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

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

The Series 2024 Bond maturing May 1, 20\_\_, is subject to mandatory redemption in part by the District by lot prior to its scheduled maturity from moneys in the Series 2024 Sinking Fund Account established under the Supplemental Indenture in satisfaction of applicable Amortization Installments at the Redemption Price of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

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

The Series 2024 Bond maturing May 1, 20\_\_, is subject to mandatory redemption in part by the District by lot prior to its scheduled maturity from moneys in the Series 2024 Sinking Fund Account established under the Supplemental Indenture in satisfaction of applicable Amortization Installments at the Redemption Price of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

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

As more particularly set forth in the Indenture, any Series 2024 Bonds that are purchased by the District with amounts held to pay an Amortization Installment will be cancelled and the principal amount so purchased will be applied as a credit against the applicable Amortization Installment of Series 2024 Bonds. Amortization Installments are also subject to recalculation, as provided in the Supplemental Indenture, as the result of the redemption of Series 2024 Bonds so as to reamortize the remaining Outstanding principal balance of the Series 2024 Bonds as set forth in the Supplemental Indenture.

*Extraordinary Mandatory Redemption.* The Series 2024 Bonds are subject to extraordinary mandatory redemption prior to maturity, in whole on any date or in part on any Quarterly Redemption Date, in the manner determined by the Bond Registrar at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption as follows:

(a) on or after the Date of Completion of the Series 2024 Project, by application of moneys transferred from the Series 2024 Acquisition and Construction Account to the Series 2024 Prepayment Subaccount in accordance with the terms of the Indenture; or

(b) from amounts, including Series 2024 Prepayment Principal and any excess amounts in the Series 2024 Reserve Account as a result of the deposit of such Series 2024 Prepayment Principal, required by the Indenture to be deposited into the Series 2024 Prepayment Subaccount; or

(c) on the date on which the amount on deposit in the Series 2024 Reserve Account, together with other moneys available therefor, are sufficient to pay and redeem all of the Series 2024 Bonds then Outstanding, including accrued interest thereon.

If less than all of the Series 2024 Bonds shall be called for redemption, the particular Series 2024 Bonds or portions of Series 2024 Bonds to be redeemed shall, unless otherwise provided in the Indenture, be selected by lot by the Bond Registrar as provided in the Indenture.

### **Notice of Redemption**

Notice of each redemption of Series 2024 Bonds is required to be mailed by the Bond Registrar, postage prepaid, not less than thirty (30) nor more than forty-five (45) days prior to the date of redemption to each registered Owner of Series 2024 Bonds to be redeemed at the address of such registered Owner recorded on the bond register maintained by the Bond Registrar. On the date designated for redemption, notice having been given and money for the payment of the Redemption Price being held by the Paying Agent, all as provided in the Indenture, the Series 2024 Bonds or such portions thereof so called for redemption shall become and be due and payable at the Redemption Price provided for the redemption of such Series 2024 Bonds or such portions thereof on such date, interest on such Series 2024 Bonds or such portions thereof so called for redemption shall cease to accrue, such Series 2024 Bonds or such portions thereof so called for redemption shall cease to be entitled to any benefit or security under the Indenture and the Owners thereof shall have no rights in respect of such Series 2024 Bonds or such portions thereof so called for redemption except to receive payments of the Redemption Price thereof so held by the Paying Agent. Further notice of redemption shall be given by the Bond Registrar to certain registered securities depositories and information services as set forth in the Indenture, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed.

Pursuant to the Indenture, notice of optional redemption may be conditioned upon the occurrence or non-occurrence of such event or events or upon the later deposit of

moneys therefor as shall be specified in such notice of optional redemption and may also be subject to rescission by the District if expressly set forth in such notice.

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

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

DTC will act as securities depository for the Series 2024 Bonds. The Series 2024 Bonds will be issued as fully-registered bonds registered in the name of Cede & Co. (DTC's partnership nominee), or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each maturity of the Series 2024 Bonds and will be deposited with DTC. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants (the "Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (the "Indirect Participants"). DTC has a Standard and Poor's rating of AA+. The DTC rules applicable to its Participants are on file with the Securities and Exchange Commission ("SEC"). More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

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

accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of the Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2024 Bonds, except in the event that use of the book-entry system for the Series 2024 Bonds is discontinued.

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

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

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

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2024 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 2024 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Series 2024 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 Registrar on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Registrar or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District and/or the Paying Agent for the Series 2024 Bonds. Disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of the Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Series 2024 Bonds at any time by giving reasonable notice to the District. Under such circumstances, in the event that a successor securities depository is not obtained, Series 2024 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 2024 Bond certificates will be printed and delivered to DTC.

NEITHER THE DISTRICT NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO THE DTC PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEE WITH RESPECT TO THE PAYMENTS TO OR THE PROVIDING OF NOTICE FOR THE DTC PARTICIPANTS, THE INDIRECT PARTICIPANTS OR THE BENEFICIAL OWNERS OF THE SERIES 2024 BONDS. THE DISTRICT CANNOT AND DOES NOT GIVE ANY ASSURANCES THAT DTC, THE DTC PARTICIPANTS OR OTHERS WILL DISTRIBUTE PAYMENTS OF PRINCIPAL OF OR INTEREST ON THE SERIES 2024 BONDS PAID TO DTC OR ITS NOMINEE, AS THE REGISTERED OWNER, OR PROVIDE ANY NOTICES TO THE BENEFICIAL OWNERS OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC WILL ACT IN THE MANNER DESCRIBED IN THIS LIMITED OFFERING MEMORANDUM.

## **SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2024 BONDS**

### **General**

The Series 2024 Bonds are payable from and secured by the revenues received by the District from the Series 2024 Assessments and amounts in the Funds and Accounts (except for the Series 2024 Rebate Account) established by the Indenture (collectively, the "Series 2024 Trust Estate"). Series 2024 Assessments will be allocated as described in "ASSESSMENT METHODOLOGY AND ALLOCATION OF ASSESSMENTS" herein. The Series 2024 Assessments represent an allocation of the costs of the Series 2024 Project, including bond financing costs, to such benefited land within the District in accordance with the Assessment Report attached hereto as composite APPENDIX B.

NEITHER THE SERIES 2024 BONDS NOR THE INTEREST AND PREMIUM, IF ANY, PAYABLE THEREON SHALL CONSTITUTE A GENERAL OBLIGATION OR GENERAL INDEBTEDNESS OF THE DISTRICT WITHIN THE MEANING OF THE CONSTITUTION AND LAWS OF THE STATE. THE SERIES 2024 BONDS AND THE INTEREST AND PREMIUM, IF ANY, PAYABLE THEREON DO NOT CONSTITUTE EITHER A PLEDGE OF THE FULL FAITH AND CREDIT OF THE DISTRICT OR A LIEN UPON ANY PROPERTY OF THE DISTRICT OTHER THAN AS PROVIDED IN THE INDENTURE. NO OWNER OR ANY OTHER PERSON SHALL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY AD VALOREM TAXING POWER OF THE DISTRICT OR ANY OTHER PUBLIC AUTHORITY OR GOVERNMENTAL BODY TO PAY DEBT SERVICE OR TO PAY ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE INDENTURE OR THE SERIES 2024 BONDS. RATHER, DEBT SERVICE AND ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE INDENTURE OR THE SERIES 2024 BONDS SHALL BE PAYABLE FROM, AND SHALL BE SECURED SOLELY BY, THE SERIES 2024 TRUST ESTATE PLEDGED TO THE

SERIES 2024 BONDS, ALL AS PROVIDED IN THE SERIES 2024 BONDS AND IN THE INDENTURE.

### **No Parity Bonds; Limitation on Parity Assessments**

The District covenants and agrees in the Supplemental Indenture that so long as there are any Series 2024 Bonds Outstanding, it shall not cause or permit to be caused any lien, charge or claim against the Series 2024 Trust Estate other than Bonds issued to refund the Outstanding Series 2024 Bonds. The District further covenants and agrees in the Supplemental Indenture that so long as the Series 2024 Assessments have not been Substantially Absorbed, it shall not issue any Additional Bonds secured by Assessments for capital projects on lands subject at such time to the Series 2024 Assessments without the consent of the Majority Owners; provided, however, that the foregoing shall not preclude the imposition of capital Assessments at any time on property subject to the Series 2024 Assessments which the District certifies are necessary for health, safety, and welfare reasons, to remediate a natural disaster, imposed prior to the issuance of the Series 2024 Bonds, or Operation and Maintenance Assessments. "Substantially Absorbed" is defined in the Supplemental Indenture to mean the date on which the principal amount of the Series 2024 Assessments equaling at least ninety percent (90%) of the then-Outstanding principal amount of the Series 2024 Bonds is levied on tax parcels within the District with respect to which a certificate of occupancy has been issued for a structure thereon and are owned by end users, as certified by an Authorized Officer and upon which the Trustee may conclusively rely.

WHILE NO FUTURE ADDITIONAL BONDS WILL BE PAYABLE FROM OR SECURED BY THE SERIES 2024 ASSESSMENTS PLEDGED AS SECURITY FOR THE SERIES 2024 BONDS, THE DISTRICT, THE COUNTY, THE SCHOOL BOARD OF HILLSBOROUGH COUNTY, FLORIDA, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF MAY IN THE FUTURE IMPOSE, LEVY AND COLLECT ASSESSMENTS AND TAXES THE LIENS OF WHICH WILL BE CO-EQUAL WITH THE LIEN OF ASSESSMENTS WHICH INCLUDES THE SERIES 2024 ASSESSMENTS SECURING THE SERIES 2024 BONDS. See "- Enforcement and Collection of Series 2024 Assessments" below.

### **Funds and Accounts**

The Supplemental Indenture requires that the Trustee establish the following Accounts: (a) within the Acquisition and Construction Fund, a Series 2024 Acquisition and Construction Account and a Series 2024 Costs of Issuance Account; (b) within the Debt Service Fund, (i) a Series 2024 Debt Service Account and therein a Series 2024 Sinking Fund Account, a Series 2024 Interest Account and a Series 2024 Capitalized Interest Account, and (ii) a Series 2024 Redemption Account and therein a Series 2024 Prepayment Subaccount and a Series 2024 Optional Redemption Subaccount; (c) within the Reserve Fund, a Series 2024 Reserve Account, which Series 2024 Reserve Account shall be held for the benefit of all Series 2024 Bonds, without distinction as to Series 2024 Bonds and without privilege or priority of one Series 2024 Bond over another; (d) within the Revenue Fund, a Series 2024 Revenue Account; and (e) within the Rebate Fund, a Series 2024 Rebate Account.



## **Series 2024 Reserve Account**

The Series 2024 Reserve Account shall be funded and maintained at all times in an amount equal to the Series 2024 Reserve Account Requirement. "Series 2024 Reserve Account Requirement" is defined in the Supplemental Indenture to mean, until such time as the Reserve Account Release Conditions are met, an amount equal to fifty percent (50%) of the Maximum Annual Debt Service Requirement for all Outstanding Series 2024 Bonds as of the time of any such calculation, which on the date of issuance of the Series 2024 Bonds is equal to \$\_\_\_\_\_. Upon receipt by the Trustee of the Reserve Release Certifications (hereinafter defined) and thereafter, the Series 2024 Reserve Account Requirement is defined in the Supplemental Indenture to mean an amount equal to ten percent (10%) of the Maximum Annual Debt Service Requirement for all Outstanding Series 2024 Bonds as of the time of any such calculation. Excess amounts on deposit in the Series 2024 Reserve Account as a result of the deposit of Series 2024 Prepayment Principal and/or as a result of the Reserve Account Release Conditions having been met shall be transferred, as directed by an Authorized Officer, as provided in Section 405 of the Supplemental Indenture.

"Reserve Account Release Conditions" is defined in the Supplemental Indenture to mean, collectively, that (a) all residential units/homes subject to the Series 2024 Assessments have been built, sold and closed with end-users, (b) all Series 2024 Assessments are being collected pursuant to the Uniform Method, and (c) there are no Events of Default occurring or continuing under the Indenture with respect to the Series 2024 Bonds. An Authorized Officer shall provide a written certification to the Trustee certifying that the events in clauses (a) and (b) have occurred and affirming clause (c), on which certifications the Trustee may conclusively rely (collectively, the "Reserve Release Certifications").

Except as otherwise provided in the Indenture, amounts on deposit in the Series 2024 Reserve Account shall be used only for the purpose of making payments into the Series 2024 Interest Account and the Series 2024 Sinking Fund Account to pay Debt Service on the Series 2024 Bonds, when due, to the extent the moneys on deposit in such Accounts and available therefor are insufficient and for no other purpose. The Series 2024 Reserve Account shall consist only of cash and Investment Obligations.

Upon satisfaction of the Reserve Account Release Conditions, an Authorized Officer of the District shall provide the Reserve Release Certifications to the Trustee, upon which certifications the Trustee may conclusively rely, and thereupon an Authorized Officer of the District shall recalculate the Series 2024 Reserve Account Requirement and instruct the Trustee to transfer any excess as a result of having met the Reserve Account Release Conditions to the Series 2024 Acquisition and Construction Account to be used for the purposes of such Account unless the Series 2024 Acquisition and Construction Account has been closed in which case such excess shall be transferred to the Series 2024 Prepayment Subaccount.

On the forty-fifth (45<sup>th</sup>) day preceding each Quarterly Redemption Date (or, if such forty-fifth (45<sup>th</sup>) day is not a Business Day, on the first Business Day preceding such forty-fifth (45<sup>th</sup>) day), the District shall recalculate the Series 2024 Reserve Account Requirement taking into account any Series 2024 Prepayment Principal on deposit in the Series 2024

Prepayment Subaccount of the Series 2024 Redemption Account and shall direct the Trustee in writing to transfer any amount on deposit in the Series 2024 Reserve Account in excess of the Series 2024 Reserve Account Requirement as a result of such Series 2024 Prepayment Principal to the Series 2024 Prepayment Subaccount as a credit against the Prepayment otherwise required to be made by the owner of such lot or parcel. Following the foregoing transfer, such amounts in the Series 2024 Prepayment Subaccount shall be applied to the extraordinary mandatory redemption of the Series 2024 Bonds on the earliest date permitted for redemption therein and in the Supplemental Indenture. The Trustee is authorized to make such transfers and has no duty to verify such calculations.

On the earliest date on which there is on deposit in the Series 2024 Reserve Account, sufficient monies, after taking into account other monies available therefor, to pay and redeem all of the Outstanding Series 2024 Bonds, together with accrued interest on such Series 2024 Bonds to the earliest date of redemption permitted therein and in the Supplemental Indenture, then the Trustee shall transfer the amount on deposit in the Series 2024 Reserve Account into the Series 2024 Prepayment Subaccount in the Series 2024 Redemption Account to pay and redeem all of the Outstanding Series 2024 Bonds on the earliest date permitted for redemption therein and in the Supplemental Indenture.

Anything in the Indenture to the contrary notwithstanding, amounts on deposit in the Series 2024 Reserve Account shall, upon the occurrence and continuance of an Event of Default, be subject to a first charge by the Trustee for its fees and expenses, including fees and expenses of collection of Delinquent Assessments.

### **Series 2024 Revenue Account**

(a) Pursuant to the Supplemental Indenture, the Trustee is authorized and directed to deposit into the Series 2024 Revenue Account any and all amounts required to be deposited therein by the Indenture, and any other amounts or payments specifically designated by the District pursuant to a written direction or by a Supplemental Indenture for said purpose. The Series 2024 Revenue Account shall be held by the Trustee separate and apart from all other Funds and Accounts held under the Indenture and from all other moneys of the Trustee.

(b) The Trustee shall deposit into the Series 2024 Revenue Account the Series 2024 Pledged Revenues other than Series 2024 Prepayment Principal, which shall be identified by the District to the Trustee as such in writing upon deposit and which shall be deposited into the Series 2024 Prepayment Subaccount in the Series 2024 Redemption Account, and any other revenues required by other provisions of the Indenture to be deposited therein. The Trustee may conclusively rely on the assumption that, unless otherwise instructed in writing by the District at the time of deposit to the Trustee, Series 2024 Pledged Revenues paid to the Trustee shall be deposited into the Series 2024 Revenue Account, and that Series 2024 Pledged Revenues which the District informs the Trustee constitute Series 2024 Prepayment Principal shall be deposited into the Series 2024 Prepayment Subaccount of the Series 2024 Redemption Account.

(c) On the forty-fifth (45<sup>th</sup>) day preceding each Quarterly Redemption Date with respect to the Series 2024 Bonds (or if such forty-fifth (45<sup>th</sup>) day is not a Business Day, on the Business Day preceding such forty-fifth (45<sup>th</sup>) day), the Trustee shall determine the

amount on deposit in the Series 2024 Prepayment Subaccount of the Series 2024 Redemption Account and, if the balance therein is greater than zero, shall, upon written direction from the District, transfer from the Series 2024 Revenue Account for deposit into the Series 2024 Prepayment Subaccount, an amount sufficient to increase the amount on deposit therein to the next highest integral multiple of \$5,000 (provided that there are sufficient funds remaining therein to pay Debt Service coming due on the Series 2024 Bonds on the next succeeding Interest Payment Date), and shall thereupon give notice and cause the extraordinary mandatory redemption of the Series 2024 Bonds in the maximum aggregate principal amount for which moneys are then on deposit in the Series 2024 Prepayment Subaccount in accordance with the provisions for extraordinary redemption of the Series 2024 Bonds set forth in the form of Series 2024 Bonds attached to the Supplemental Indenture and in accordance with the provisions of the Indenture.

(d) On May 1 and November 1 (or if such May 1 or November 1 is not a Business Day, on the Business Day next preceding such May 1 or November 1), the Trustee shall first transfer from the Series 2024 Capitalized Interest Account to the Series 2024 Interest Account the lesser of (x) the amount of interest coming due on the Series 2024 Bonds on such May 1 or November 1, less the amount already on deposit therein, or (y) the amount remaining in the Series 2024 Capitalized Interest Account.

(e) Following the foregoing transfers, on each May 1 or November 1 (or if such May 1 or November 1 is not a Business Day, on the Business Day preceding such May 1 or November 1), the Trustee shall then transfer from the amounts on deposit in the Series 2024 Revenue Account to the Funds and Accounts designated below in the following amounts and in the following order of priority:

FIRST, to the Series 2024 Interest Account, an amount equal to the amount of interest payable on all Series 2024 Bonds then Outstanding on such May 1 or November 1, less any amount transferred from the Series 2024 Capitalized Interest Account in accordance with Sections 403(b) and 408(d) of the Supplemental Indenture, and less any other amount already on deposit in the Series 2024 Interest Account not previously credited;

SECOND, on May 1, 20\_\_, and each May 1 thereafter, to the Series 2024 Sinking Fund Account, the amount, if any, equal to the difference between the Amortization Installments of all Series 2024 Bonds subject to mandatory sinking fund redemption on such May 1, and the amount already on deposit in the Series 2024 Sinking Fund Account not previously credited;

THIRD, to the Series 2024 Reserve Account, the amount, if any, which is necessary to make the amount on deposit therein equal to the Series 2024 Reserve Account Requirement; and

FOURTH, the balance shall be retained in the Series 2024 Revenue Account.

(f) On any date required by the Tax Regulatory Covenants, the District shall give the Trustee written direction to, and the Trustee shall, transfer from the Series 2024 Revenue Account to the Series 2024 Rebate Account established for the Series 2024 Bonds in the Rebate Fund in accordance with the Master Indenture, the amount due and owing, if

any, to the United States, which amount shall be paid, to the United States, when due, in accordance with such Tax Regulatory Covenants.

## **Investments**

Anything in the Indenture to the contrary notwithstanding, moneys on deposit in all of the Funds and Accounts held as security for the Series 2024 Bonds shall be invested only in Investment Obligations, and further, earnings on the Series 2024 Acquisition and Construction Account, the Series 2024 Interest Account and the Series 2024 Capitalized Interest Account shall be retained, as realized, in such Accounts and used for the purposes of such Accounts. Earnings on investments in the Funds and Accounts other than the Series 2024 Reserve Account, and other than as set forth above, shall be deposited, as realized, to the credit of the Series 2024 Revenue Account and used for the purpose of such Account.

Earnings on investments in the Series 2024 Reserve Account shall be disposed of as follows:

(a) if there was no deficiency (as defined in Section 509 of the Master Indenture) in the Series 2024 Reserve Account as of the most recent date on which amounts on deposit in the Series 2024 Reserve Account were valued by the Trustee, and if no withdrawals have been made from the Series 2024 Reserve Account since such date which have created a deficiency, then earnings on investments in the Series 2024 Reserve Account shall be deposited into the Series 2024 Capitalized Interest Account through November 1, 2024, and thereafter earnings in the Series 2024 Reserve Account shall be allocated to and deposited into the Series 2024 Revenue Account and used for the purpose of such Account; and

(b) if as of the last date on which amounts on deposit in the Series 2024 Reserve Account were valued by the Trustee there was a deficiency (as defined in Section 509 of the Master Indenture), or if after such date withdrawals have been made from the Series 2024 Reserve Account and have created such a deficiency, then earnings on investments in the Series 2024 Reserve Account shall be deposited into the Series 2024 Reserve Account until the amount on deposit therein is equal to the Series 2024 Reserve Account Requirement, and then earnings on investments in the Series 2024 Reserve Account shall be deposited into the Series 2024 Capitalized Interest Account through November 1, 2024, and thereafter shall be allocated to and deposited into the Series 2024 Revenue Account and used for the purpose of such Account.

Notwithstanding the foregoing, if there is a deficiency in the Series 2024 Reserve Account, prior to the deposit of any earnings in the Series 2024 Revenue Account, the amount of such proposed transfer shall instead be deposited into the Series 2024 Reserve Account until the balance on deposit therein is equal to the Series 2024 Reserve Account Requirement.

## **Series 2024 Acquisition and Construction Account**

Amounts on deposit in the Series 2024 Acquisition and Construction Account shall be applied to pay Costs of the Series 2024 Project upon compliance with the requisition provisions set forth in Section 503(b) of the Master Indenture and the form attached as

Exhibit A to the Master Indenture. The Trustee shall have no duty to review the requisition to determine if the amount requested is for payment of a cost permitted under the Indenture. Anything in the Master Indenture to the contrary notwithstanding, the Consulting Engineer shall establish a Date of Completion for the Series 2024 Project, and any balance remaining in the Series 2024 Acquisition and Construction Account (taking into account the moneys currently on deposit therein to pay any accrued but unpaid Costs of the Series 2024 Project which are required to be reserved in the Series 2024 Acquisition and Construction Account in accordance with the certificate of the Consulting Engineer delivered to the District and the Trustee establishing such Date of Completion), shall be deposited to the Series 2024 Prepayment Subaccount and applied to the extraordinary mandatory redemption of the Series 2024 Bonds in accordance with the Indenture and in the manner prescribed in the form of Series 2024 Bonds attached to the Supplemental Indenture. Notwithstanding the foregoing, the District shall not establish a Date of Completion for the Series 2024 Project until after the Reserve Account Release Conditions have been satisfied and all moneys that have been transferred from the Series 2024 Reserve Account into the Series 2024 Acquisition and Construction Account as a result of such satisfaction pursuant to Section 405 of the Supplemental Indenture have been expended or the Consulting Engineer has certified in writing to the District and the Trustee that such amount is in excess of the amount needed to complete the Series 2024 Project. At such time as there are no amounts on deposit in the Series 2024 Acquisition and Construction Account and either the Reserve Account Release Conditions have been met or the Date of Completion of the Series 2024 Project has been established, the Series 2024 Acquisition and Construction Account shall be closed.

### **Agreement for Assignment of Development Rights**

Contemporaneously with the issuance of the Series 2024 Bonds, NNP-Southbend II, LLC, a Delaware limited liability company (the "Developer"), and the District will enter into a Collateral Assignment and Assumption of Development and Contract Rights Relating to the Series 2024 Project (the "Collateral Assignment"). The Collateral Assignment provides, among other things, that in the event the Developer defaults in the payment of Series 2024 Assessments levied on lands owned by the Developer, the District may exercise its remedial rights thereunder. Pursuant to the Collateral Assignment, the Developer agrees, subject to the provisions of the Collateral Assignment, to collaterally assign to the District all of its development rights and contract rights relating to lands benefited by the Series 2024 Project (the "Development and Contract Rights") as security for the Developer's payment and performance and discharge of its obligation to pay the Series 2024 Assessments levied against the lands owned by the Developer within the District. Such Development and Contract Rights specifically exclude any such portion of the Development and Contract Rights which relate solely to any property which has been conveyed to a landowner resulting from the sale of land in the ordinary course of business, the County, the District, any applicable homeowner's association or other governing entity or association as may be required by applicable permits, approvals, plats, entitlements or regulations affecting the Series 2024 Assessment Area, if any.

### **Completion Agreement**

In connection with the issuance of the Series 2024 Bonds, the District and the Developer will enter into an agreement (the "Completion Agreement") pursuant to which

the Developer will agree to provide funds to complete the Series 2024 Project to the extent that proceeds of the Series 2024 Bonds are insufficient therefor. Remedies for a default under the Completion Agreement include damages and/or specific performance.

### **True-Up Agreement**

In connection with the issuance of the Series 2024 Bonds, the District and the Developer will enter into an agreement (the "True-Up Agreement") pursuant to which the Developer agrees to pay at the time prescribed by the True-Up Agreement any amount of Series 2024 Assessments allocated to unplatted acres in excess of the allocation in place at the time of issuance of the Series 2024 Bonds which is not able to be assigned to platted lots in accordance with the Assessment Report.

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

Pursuant to the Indenture, the District, either through its own actions or actions caused to be taken through the Trustee, covenants that it shall strictly enforce all of the provisions of the Completion Agreement and the True-Up Agreement and, upon the occurrence and continuance of a default under either or both of such Agreements, the District covenants and agrees that the Trustee, at the direction of the Majority Owners, may, subject to the provisions of Section 912 of the Master Indenture, act on behalf of and in the District's stead to enforce the provisions of such Agreements and to pursue all available remedies under applicable law or in equity. Anything in the Indenture to the contrary notwithstanding, failure of the District to enforce, or permit the Trustee to enforce in its stead, all of the provisions of the Completion Agreement and the True-Up Agreement upon demand of the Majority Owners, or the Trustee at the direction of the Majority Owners, shall constitute an Event of Default under the Indenture without benefit of any period for cure.

### **Owner Direction and Consent with Respect to Series 2024 Acquisition and Construction Account upon Occurrence of Event of Default**

In accordance with the provisions of the Indenture, the Series 2024 Bonds are secured solely by the Series 2024 Pledged Revenues and the Series 2024 Pledged Funds comprising the Series 2024 Trust Estate. Anything in the Indenture to the contrary notwithstanding, the District acknowledges that (a) the Series 2024 Pledged Funds include, without limitation, all amounts on deposit in the Series 2024 Acquisition and Construction Account then held by the Trustee, (b) upon the occurrence of an Event of Default with respect to the Series 2024 Bonds, the Series 2024 Pledged Funds may not be used by the District (whether to pay Costs of the Series 2024 Project or otherwise) without the consent of the Majority Owners, except to the extent that prior to the occurrence of the Event of Default the District had incurred a binding obligation with third parties for work on the Series 2024 Project and payment is for such work, and (c) upon the occurrence of an Event of Default with respect to the Series 2024 Bonds, the Series 2024 Pledged Funds may be used by the Trustee, at the direction or with the approval of the Majority Owners, to pay costs and expenses incurred in connection with the pursuit of remedies under the Indenture. The District shall not enter into any binding agreement with respect to the Series 2024 Project after the occurrence of an Event of Default unless authorized in writing by the Majority Owners.

## Events of Default and Remedies

The Master Indenture provides that each of the following shall be an "Event of Default" with respect to the Series 2024 Bonds, but no other Series of Bonds unless otherwise provided in the Supplemental Indenture relating to such Series:

- (a) any payment of Debt Service on the Series 2024 Bonds is not made when due;
- (b) the District shall for any reason be rendered incapable of fulfilling its obligations under the Indenture;
- (c) the District admits in writing its inability to pay its debts generally as they become due, or files a petition in bankruptcy or makes an assignment for the benefit of its creditors or consents to the appointment of a receiver or trustee for itself or for the whole or any part of the Series 2024 Project;
- (d) the District is adjudged insolvent by a court of competent jurisdiction, or is adjudged bankrupt on a petition in bankruptcy filed against the District, or an order, judgment or decree be entered by any court of competent jurisdiction appointing, without the consent of the District, a receiver or trustee of the District or of the whole or any part of its property and if the aforesaid adjudications, orders, judgments or decrees shall not be vacated or set aside or stayed within ninety (90) days from the date of entry thereof;
- (e) the District shall file a petition or answer seeking reorganization or any arrangement under the federal bankruptcy laws or any other applicable law or statute of the United States of America or any state thereof;
- (f) under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the District's assets or any part thereof, and such custody or control shall not be terminated within ninety (90) days from the date of assumption of such custody or control;
- (g) any portion of the Series 2024 Assessments shall have become Delinquent Assessments and, as the result thereof, the Trustee has withdrawn funds in an amount greater than twenty-five percent (25%) of the amount on deposit in the Series 2024 Reserve Account to pay Debt Service on the Series 2024 Bonds;
- (h) more than twenty percent (20%) of the Operation and Maintenance Assessments levied by the District on tax parcels subject to the Series 2024 Assessments are not paid by the date such are due and payable, and such default continues for sixty (60) days after the date when due; and
- (i) the District shall default in the due and punctual performance of any of the material covenants, conditions, agreements and provisions contained in the Series 2024 Bonds or in the Indenture on the part of the District to be performed (other than a default in the payment of Debt Service on the Series 2024 Bonds when due, which is an Event of Default under subsection (a) above) and such default shall continue for thirty (30) days after written notice specifying such default and requiring the same to be remedied shall have been given to the District by the Trustee or, if the Trustee is unwilling or unable to

act, by Owners of not less than ten percent (10%) in aggregate principal amount of the Series 2024 Bonds then Outstanding and affected by such default; 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 thirty (30) day period, no Event of Default shall be deemed to have occurred or exist if the District shall commence such performance within such thirty (30) day period and shall diligently and continuously prosecute the same to completion.

The District covenants and agrees in the Indenture that upon the occurrence and continuance of an Event of Default, it will take such actions to enforce the remedial provisions of the Indenture, the provisions for the collection of Delinquent Assessments, the provisions for the foreclosure of liens of Delinquent Assessments, and will take such other appropriate remedial actions as shall be directed by the Trustee acting at the direction of, and on behalf of, the Majority Owners, from time to time, of the Series 2024 Bonds. Notwithstanding anything to the contrary in the Indenture, and unless otherwise directed by the Majority Owners of the Series 2024 Bonds and allowed pursuant to federal or State law, the District acknowledges and agrees that (a) upon failure of any property owner to pay an installment of Series 2024 Assessments collected directly by the District when due, that the entire Series 2024 Assessment on the tax parcel as to which such Delinquent Assessment appertains, with interest and penalties thereon, shall immediately become due and payable as provided by applicable law and the District shall promptly, but in any event within 120 days, cause to be brought the necessary legal proceedings for the foreclosure of liens of Delinquent Assessments, including interest and penalties with respect to such tax parcel, and (b) the foreclosure proceedings shall be prosecuted to a sale and conveyance of the property involved in said proceedings as now provided by law in suits to foreclose mortgages.

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

The provisions of Section 913 of the Master Indenture, as summarized below, shall be applicable both before and after the commencement, whether voluntary or involuntary, of any case, proceeding or other action by or against any owner of any tax parcel, or tax parcels which are in the aggregate, subject to at least three percent (3%) of the Series 2024 Assessments pledged to the Series 2024 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 acknowledges and agrees in the Indenture that, although the Series 2024 Bonds were issued by the District, the Owners of the Series 2024 Bonds are categorically the party with the ultimate financial stake in the transaction and, consequently, the party with a vested and pecuniary interest in a Proceeding. In the event of any Proceeding involving an Insolvent Taxpayer:

(a) the District agrees that it shall seek to secure the written consent of the Trustee, acting at the direction of the Majority Owners of the Series 2024 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 Proceeding or in any action related to a Proceeding that affects, either directly or indirectly, the Series 2024 Assessments relating to the Series 2024 Bonds



Outstanding, the Outstanding Series 2024 Bonds or any rights of the Trustee under the Indenture (provided, however, the Majority Owners shall be deemed to have consented to the proposed action if the District does not receive a response from the Majority Owners and the Trustee, acting at the direction of the Majority Owners, within sixty (60) days following delivery to the Majority Owners and the Trustee of a written request for consent);

(b) the District agrees that it shall not make any election, give any consent, commence any action or file any motion, claim, obligation, notice or application or take any other action or position in any Proceeding or in any action related to a Proceeding that affects, either directly or indirectly, the Series 2024 Assessments relating to the Series 2024 Bonds Outstanding, the Series 2024 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 or the Majority Owners;

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

(d) the Trustee shall have the right, by interpleader or otherwise, to seek or oppose any relief in any such Proceeding that the District, as claimant with respect to the Series 2024 Assessments relating to the Series 2024 Bonds Outstanding, would have the right to pursue and, if the Trustee chooses to exercise any such rights, the District shall not oppose the Trustee in seeking to exercise any and all rights and taking any and all actions available to the District in connection with any Proceeding of any Insolvent Taxpayer, including without limitation, the right to file and/or prosecute and/or defend any claims and proofs of claims, to vote to accept or reject a plan, to seek dismissal of the Proceeding, to seek stay relief to commence or continue foreclosure or pursue any other available remedies as to the Series 2024 Assessments relating to the Series 2024 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

(e) 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 Proceeding or take any other action in such Proceeding, which is adverse to the Trustee's enforcement of the District's claim and rights with respect to the Series 2024 Assessments relating to the Series 2024 Bonds Outstanding or receipt of adequate protection (as that term is defined in the Bankruptcy Code). Without limiting the generality of the foregoing, the District agrees that the Trustee shall have the right (i) to file a proof of claim with respect to the Series 2024 Assessments pledged to the Series 2024 Bonds Outstanding, (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.

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

Nothing in this section shall preclude the District from becoming a party to a Proceeding in order to enforce a claim for Operation and Maintenance Assessments, and the District shall be free to pursue such a claim for Operation and Maintenance Assessments in such manner as it shall deem appropriate in its sole and absolute discretion. Any actions taken by the District in pursuance of its claim for Operation and Maintenance Assessments in any Proceeding shall not be considered an action adverse or inconsistent with the Trustee's rights or consents with respect to the Series 2024 Assessments relating to the Series 2024 Bonds Outstanding whether such claim is pursued by the District or the Trustee; provided, however, that the District shall not oppose any relief sought by the Trustee under the authority granted to the Trustee in clause (d) above.

### **Enforcement and Collection of Series 2024 Assessments**

The primary source of payment for the Series 2024 Bonds is the Series 2024 Assessments imposed on each landowner within the District which is specially benefited by the Series 2024 Project. To the extent that landowners fail to pay such Series 2024 Assessments, delay payments, or are unable to pay such Series 2024 Assessments, the successful pursuit of collection procedures available to the District is essential to continued payment of principal of and interest on the Series 2024 Bonds. The Act provides for various methods of collection of delinquent special assessments by reference to other provisions of the Florida Statutes. See "ENFORCEMENT OF ASSESSMENT COLLECTIONS" herein for a summary of special assessment payment and collection procedures appearing in the Florida Statutes.

Pursuant to the Indenture, when permitted by law, Series 2024 Assessments levied on platted lots and pledged to secure the Series 2024 Bonds shall be collected pursuant to the uniform method for the levy, collection and enforcement of Assessments afforded by Sections 197.3631, 197.3632 and 197.3635, Florida Statutes, or any successor statutes (the "Uniform Method"), and Series 2024 Assessments levied on unplatted lots and pledged to secure the Series 2024 Bonds shall be collected directly by the District pursuant to the Act and Chapters 170 and 197, Florida Statutes, and not pursuant to the Uniform Method, in each case unless otherwise directed by the Trustee acting at the direction of the Majority Owners during an Event of Default. All Series 2024 Assessments that are collected directly by the District and not via the Uniform Method shall be due and payable by the landowner no later than thirty (30) days prior to each Interest Payment Date.

If the owner of any lot or parcel of land shall be delinquent in the payment of any Series 2024 Assessment, then such Series 2024 Assessment shall be enforced in accordance with the provisions of Chapters 170 and/or 197, Florida Statutes, including but not limited to the sale of tax certificates and tax deeds as regards such Delinquent Assessment. In the event the provisions of Chapter 197, Florida Statutes, are inapplicable or unavailable, then upon the delinquency of any Series 2024 Assessment, the District either on its own behalf or through the actions of the Trustee may, and shall, if so directed in writing by the Majority Owners of the Outstanding Series 2024 Bonds, declare the entire unpaid balance of such Series 2024 Assessment to be in default and, at its own expense, cause such

delinquent property to be foreclosed in the same method now or hereafter provided by law for the foreclosure of mortgages on real estate, or pursuant to the provisions of Chapter 173, and Sections 190.026 and/or 170.10, Florida Statutes, or otherwise as provided by law. The District further covenants in the Indenture to furnish, at its expense, to any Owner of the Series 2024 Bonds so requesting, sixty (60) days after the due date of each annual installment, a list of all Delinquent Assessments, to the extent such information is reasonably available to the District, together with a copy of the District's annual audit and a list of foreclosure actions currently in progress and the current status of such Delinquent Assessments.

If any tax certificates relating to Delinquent Assessments which are pledged to secure the payment of the principal and interest on the Series 2024 Bonds are sold by the Tax Collector (hereinafter defined) pursuant to the provisions of Section 197.432, Florida Statutes, or if any such tax certificates are not sold but are later redeemed, the proceeds of such sale or redemption (to the extent that such proceeds relate to the Delinquent Assessments), less any commission or other charges retained by the Tax Collector, shall, if paid by the Tax Collector to the District, be paid by the District to the Trustee not later than five (5) Business Days following receipt of such proceeds by the District and shall be deposited by the Trustee to the credit of the Series 2024 Revenue Account.

If any property shall be offered for sale for the nonpayment of any Series 2024 Assessment and no person or persons shall purchase such property for an amount greater than or equal to the full amount due on the Series 2024 Assessments (principal, interest, penalties and costs, plus attorneys' fees, if any), the property may then be purchased by the District for an amount equal to or less than the balance due on the Series 2024 Assessments (principal, interest, penalties and costs, plus attorneys' fees, if any), from any legally available funds of the District and the District shall receive in its corporate name or in the name of a special purpose entity title to the property for the benefit of the Owners of the Series 2024 Bonds; provided that the Trustee shall have the right, acting at the written direction of the Majority Owners of the Series 2024 Bonds, but shall not be obligated, to direct the District with respect to any action taken pursuant to this paragraph. The District, either through its own actions or actions caused to be taken through the Trustee, shall have the power to lease or sell such property and deposit all of the net proceeds of any such lease or sale into the Series 2024 Revenue Account. Not less than ten (10) days prior to the filing of any foreclosure action as provided in the Indenture, the District shall cause written notice thereof to be mailed to any designated agents of the Owners of the Series 2024 Bonds. Not less than thirty (30) days prior to the proposed sale of any lot or tract of land acquired by foreclosure by the District, it shall give written notice thereof to such representatives. The District, either through its own actions, or actions caused to be taken through the Trustee, agrees that it shall be required to take the measures provided by law for the listing for sale of property acquired by it as trustee for the benefit of the Owners of the Series 2024 Bonds within sixty (60) days after the receipt of the request therefor signed by the Majority Owners of the Series 2024 Bonds Outstanding or the Trustee acting at the written request of such Majority Owners.

**THERE CAN BE NO ASSURANCE THAT ANY SALE, PARTICULARLY A BULK SALE, OF LAND SUBJECT TO DELINQUENT ASSESSMENTS WILL PRODUCE PROCEEDS SUFFICIENT TO PAY THE FULL AMOUNT OF SUCH DELINQUENT**

## ASSESSMENTS PLUS OTHER DELINQUENT TAXES AND ASSESSMENTS APPLICABLE THERETO.

### **Additional Covenants Regarding Assessments**

The District covenants in the Indenture to comply with the terms of the proceedings heretofore adopted with respect to the Series 2024 Assessments, including the Assessment Report, and to levy the Series 2024 Assessments and any required true-up payments set forth in the Assessment Report, in such manner as will generate funds sufficient to pay the principal of and interest on the Series 2024 Bonds, when due. The Assessment Report shall not be materially amended without the prior written consent of the Majority Owners.

### **Re-Assessment**

Pursuant to the Master Indenture, if any Series 2024 Assessments shall be either in whole or in part annulled, vacated or set aside by the judgment of any court, or the District shall be satisfied that any such Series 2024 Assessments are so irregular or defective that they cannot be enforced or collected, or if the District shall have omitted to make such Series 2024 Assessments when it might have done so, the District shall either (a) take all necessary steps to cause new Series 2024 Assessments to be made for the whole or any part of such improvement or against any property benefited by such improvement, or (b) in its sole discretion, make up the amount of such Series 2024 Assessments from legally available moneys, which moneys shall be deposited into the Series 2024 Revenue Account. In case any such subsequent Series 2024 Assessments shall also be annulled, the District shall obtain and make other Series 2024 Assessments until valid Series 2024 Assessments shall be made.

## **ENFORCEMENT OF ASSESSMENT COLLECTIONS**

### **General**

The primary source of payment for the Series 2024 Bonds is the revenues received by the District from the collection of Series 2024 Assessments to be imposed on certain lands in the District specially benefited by the Series 2024 Project pursuant to the Assessment Proceedings. See "ASSESSMENT METHODOLOGY AND ALLOCATION OF ASSESSMENTS" herein and "APPENDIX B - ASSESSMENT REPORT" attached hereto.

The imposition, levy, and collection of Series 2024 Assessments must be done in compliance with the provisions of State law. Failure by the District, the Hillsborough County Tax Collector (the "Tax Collector") or the Hillsborough County Property Appraiser (the "Property Appraiser") to comply with such requirements could result in delay in the collection of, or the complete inability to collect, Series 2024 Assessments during any year. Such delays in the collection of Series 2024 Assessments, or complete inability to collect any Series 2024 Assessments, would have a material adverse effect on the ability of the District to make full or punctual payment of Debt Service on the Series 2024 Bonds. See "BONDOWNERS' RISKS" herein. To the extent that landowners fail to pay the Series 2024 Assessments, delay payments, or are unable to pay the same, the successful pursuance of collection procedures available to the District is essential to continued payment of principal of and interest on the Series 2024 Bonds.

For the Series 2024 Assessments to be valid, the Series 2024 Assessments must meet two requirements: (a) the benefit from the Series 2024 Project to the lands subject to the Series 2024 Assessments must exceed or equal the amount of the Series 2024 Assessments; and (b) the Series 2024 Assessments must be fairly and reasonably allocated across all such benefited properties. At closing, the Assessment Consultant (hereinafter defined) will certify that these requirements have been met with respect to the Series 2024 Assessments.

Pursuant to the Act and the Assessment Proceedings, the District may collect the Series 2024 Assessments through a variety of methods. See "BONDOWNERS' RISKS" herein. Initially, and for undeveloped properties owned by the Developer and subsequent landowners, the District will directly issue annual bills to landowners requiring payment of the Series 2024 Assessments and will enforce such bill through foreclosure proceedings. As lands are platted, the Series 2024 Assessments will be added to the County tax roll and collected pursuant to the Uniform Method. See "ASSESSMENT METHODOLOGY AND ALLOCATION OF ASSESSMENTS" herein and "APPENDIX B - ASSESSMENT REPORT" attached hereto. The following is a description of certain statutory provisions relating to each of these collection methods. Such description is not intended to be exhaustive and is qualified in its entirety by reference to such statutes.

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

As noted above, and pursuant to Chapter 170, Florida Statutes, and the Act, the District may directly levy, collect and enforce the Series 2024 Assessments. In this context, Section 170.10, Florida Statutes, provides that upon the failure of any property owner to timely pay all or any part of the annual installment of principal and/or interest of a special assessment due, including the Series 2024 Assessments, the whole assessment, with the interest and penalties thereon, shall immediately become due and payable and subject to foreclosure. Generally stated, the governing body of the entity levying the special assessment, in this case the District, may foreclose by commencing a foreclosure proceeding in the same manner as the foreclosure of a real estate mortgage, or, alternatively, by commencing an action under Chapter 173, Florida Statutes, which relates to foreclosure of municipal tax and special assessment liens. Such proceedings are in rem, meaning that the action would be brought against the land, and not against the landowner. In light of the one-year tolling period required before the District may commence a foreclosure action under Chapter 173, Florida Statutes, it is likely the District would commence an action to foreclose in the same manner as the foreclosure of a real estate mortgage rather than proceeding under Chapter 173, Florida Statutes.

Enforcement of the obligation to pay Series 2024 Assessments and the ability to foreclose the lien of such Series 2024 Assessments upon the failure to pay such Series 2024 Assessments may not be readily available or may be limited because enforcement is dependent upon judicial action which is often subject to discretion and delay. Additionally, there is no guarantee that there will be demand for any foreclosed lands sufficient to repay the Series 2024 Assessments. See "BONDOWNERS' RISKS" herein.

## **Uniform Method Procedure**

Subject to certain conditions, and for developed lands, the District may alternatively elect to collect the Series 2024 Assessments using the Uniform Method. The Uniform Method is available only in the event the District complies with statutory and regulatory requirements and enters into agreements with the Tax Collector and Property Appraiser providing for the Series 2024 Assessments to be levied and collected in this manner.

If the Uniform Method is used, the Series 2024 Assessments will be collected together with County, school, special district, and other ad valorem taxes and non-ad valorem assessments (together, "Taxes and Assessments"), all of which will appear on the tax bill (also referred to as a "tax notice") issued to each landowner in the District. The statutes relating to enforcement of Taxes and Assessments provide that such Taxes and Assessments become due and payable on November 1 of the year when assessed, or as soon thereafter as the certified tax roll is received by the Tax Collector and constitute a lien upon the land from January 1 of such year until paid or barred by operation of law. Such Taxes and Assessments, including the Series 2024 Assessments, are to be billed together and landowners in the District are required to pay all Taxes and Assessments without preference in payment of any particular increment of the tax bill, such as the increment owing for the Series 2024 Assessments.

All Taxes and Assessments are payable at one time, except for partial payment schedules as may be provided by Florida law such as Sections 197.374 and 197.222, Florida Statutes. Partial payments made pursuant to Sections 197.374 and 197.222, Florida Statutes, are distributed in equal proportion to all taxing districts and levying authorities applicable to that account. If a taxpayer does not make complete payment of the total amount, he or she cannot designate specific line items on his or her tax bill as deemed paid in full. Therefore, in the event the Series 2024 Assessments are to be collected pursuant to the Uniform Method, any failure to pay any one line item would cause the Series 2024 Assessments to not be collected to that extent, which could have a significant adverse effect on the ability of the District to make full or punctual payment of Debt Service on the Series 2024 Bonds.

Under the Uniform Method, if the Series 2024 Assessments are paid during November when due or during the following three (3) months, the taxpayer is granted a variable discount equal to four percent (4%) in November and decreasing one percentage point per month to one percent (1%) in February. All unpaid Taxes and Assessments become delinquent on April 1 of the year following assessment.

The Tax Collector is required to collect the Taxes and Assessments on the tax bill prior to April 1 and, after that date, to institute statutory procedures upon delinquency to collect such Taxes and Assessments through the sale of "tax certificates," as discussed below. Delay in the mailing of tax notices to taxpayers may result in a delay throughout this process. Neither the District nor the Underwriter can give any assurance to the holders of the Series 2024 Bonds that (a) the past experience of the Tax Collector with regard to tax and special assessment delinquencies is applicable in any way to the Series 2024 Assessments, (b) future landowners and taxpayers in the District will pay such Series 2024 Assessments, (c) a market may exist in the future for tax certificates in the event of sale of such certificates for taxable units within the District, and (d) the eventual sale of tax

certificates for real property within the District, if any, will be for an amount sufficient to pay amounts due under the Assessment Proceedings to discharge the lien of the Series 2024 Assessments and all other liens that are coequal therewith.

Collection of delinquent Series 2024 Assessments under the Uniform Method is, in essence, based upon the sale by the Tax Collector of "tax certificates" and remittance of the proceeds of such sale to the District for payment of the Series 2024 Assessments due. Prior to the sale of tax certificates, the landowner may bring current the delinquent Taxes and Assessments and cancel the tax certificate process by paying the total amount of delinquent Taxes and Assessments plus all applicable interest, costs and charges. If the landowner does not act, the Tax Collector is required to attempt to sell tax certificates by public bid to the person who pays the delinquent Taxes and Assessments owing, and any applicable interest, costs and charges, and who accepts the lowest interest rate per annum to be borne by the certificates (but not more than eighteen percent (18%)).

If there are no bidders, the tax certificate is issued to the County. The County is to hold, but not pay for, the tax certificate with respect to the property, bearing interest at the maximum legal rate of interest, which is currently eighteen percent (18%). The Tax Collector does not collect any money if tax certificates are issued, or "struck off," to the County. The County may sell such certificates to the public at any time after issuance, but before a tax deed application is made, at the face amount thereof plus interest at the rate of not more than eighteen percent (18%) per annum, costs and charges. Proceeds from the sale of tax certificates are required to be used to pay Taxes and Assessments (including the Series 2024 Assessments), interest, costs and charges on the real property described in the certificate.

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

Any holder, other than the County, of a tax certificate that has not been redeemed has seven (7) years from the date of issuance of the tax certificate during which to act against the land that is the subject of the tax certificate. After an initial period ending two (2) years from April 1 of the year of issuance of a certificate, during which period actions against the land are held in abeyance to allow for sales and redemptions of tax certificates, and before the expiration of seven (7) years from the date of issuance, the holder of a certificate may apply for a tax deed to the subject land. The applicant is required to pay to the Tax Collector at the time of application all amounts required to redeem or purchase all other outstanding tax certificates covering the land, plus interest, any omitted taxes or delinquent taxes and interest, and current taxes, if due (as well as any costs of resale, if applicable). If the County holds a tax certificate on property valued at \$5,000 or more and

has not succeeded in selling it, the County must apply for a tax deed two (2) years after April 1 of the year of issuance of the certificate or as soon thereafter as is reasonable. The County pays costs and fees to the Tax Collector but not any amount to redeem any other outstanding certificates covering the land. Thereafter, the property is advertised for public sale.

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

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

If there are no bidders at the public sale, the clerk shall enter the land on a list entitled "lands available for taxes" and shall immediately notify the governing board of the County that the property is available. At any time within ninety (90) days from the date the property is placed on the list, the County may purchase the land for the opening bid or may waive its rights to purchase the property. Thereafter, and without further notice or advertising, any person, the County or any other governmental unit may purchase the land by paying the amount of the opening bid. Ad valorem taxes and non-ad valorem assessments accruing after the date of public sale do not require repetition of the bidding process but are added to the minimum bid. Three (3) years from the date the property was offered for sale, unsold lands escheat to the County in which they are located, free and



clear, and all tax certificates and liens against the property are canceled and a deed is executed vesting title in the governing board of such County.

There can be no guarantee that the Uniform Method will result in the payment of Series 2024 Assessments. For example, the demand for tax certificates is dependent upon various factors, which include the rate of interest that can be earned by ownership of such certificates and the underlying value of the land that is the subject of such certificates and which may be subject to sale at the demand of the certificate holder. Therefore, the underlying market value of the property within the District may affect the demand for certificates and the successful collection of the Series 2024 Assessments, which are the primary source of payment of the Series 2024 Bonds. Additionally, legal proceedings under federal bankruptcy law brought by or against a landowner who has not yet paid his or her property taxes or assessments would likely result in a delay in the sale of tax certificates. See "BONDOWNERS' RISKS" herein.

## **THE DISTRICT**

### **General**

The District is a local unit of special purpose government duly organized and existing under the provisions of the Act and established by the Ordinance. The boundaries of the District include approximately 759 acres of land located entirely within an unincorporated area of the County.

### **Legal Powers and Authority**

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

The Act provides that community development districts have the power to issue general obligation, revenue and special assessment revenue debt obligations in any combination to pay all or part of the cost of infrastructure improvements authorized under the Act. The Act further provides that community development districts have the power under certain conditions to levy and assess ad valorem taxes or non-ad valorem assessments, including the Series 2024 Assessments, on all taxable real property within their boundaries to pay the principal of and interest on debt obligations issued and to provide for any sinking or other funds established in connection with any such debt obligation issues. Pursuant to the Act, such assessments may be levied, collected and enforced in the same manner and time as county property taxes.

Among other provisions, the Act gives the District's Board of Supervisors the authority to: (a) finance, fund, plan, establish, acquire, construct or reconstruct, enlarge or extend, equip, operate and maintain systems and facilities for: (i) water management and control for lands within the District and to connect any of such facilities with roads and bridges; (ii) water supply, sewer and wastewater management reclamation and re-use

systems or any combination thereof, and to construct and operate connecting intercepting or outlet sewers and sewer mains and pipes and water mains, conduits, or pipelines in, along, and under any street, alley, highway, or other public place or ways, and to dispose of any effluent, residue, or other byproducts of such system or sewer system; (iii) district roads equal to or exceeding the applicable specifications of the county in which such district roads are located; roads and improvements to existing public roads that are owned by or conveyed to the local general-purpose government, the State, or the federal government; street lights; alleys; landscaping; hardscaping; undergrounding of electric utility lines; buses, trolleys, transit shelters, ridesharing facilities and services, parking improvements, and related signage; (iv) conservation areas, mitigation areas, and wildlife habitat, including the maintenance of any plant or animal species, and any related interest in real or personal property; (v) any other project, facility or service required by a development approval, interlocal agreement, zoning condition, or permit issued by a governmental authority with jurisdiction in the District; and (vi) with the consent of the local general-purpose government within the jurisdiction of which the power is to be exercised, parks and facilities for indoor and outdoor recreational uses; and security, including, but not limited to, guardhouses, fences and gates, and electronic intrusion-detection systems; (b) borrow money and issue bonds of the District; (c) levy, collect and enforce special assessments; (d) impose and foreclose special assessment liens as provided in the Act; and (e) exercise all other powers, necessary, convenient, incidental or proper in connection with any of the powers or duties of the District authorized by the Act.

The Act does not empower the District to adopt and enforce land use plans or zoning ordinances and the Act does not empower the District to grant building permits. These functions are collectively performed by the County and its departments of government.

The Act exempts all property of the District from levy and sale by virtue of an execution and from judgment liens, but does not limit the right of any Owner of bonds of the District to pursue any remedy for enforcement of any lien or pledge of the District in connection with such bonds, including the Series 2024 Bonds.

### **Board of Supervisors**

The Act provides for a five-member Board of Supervisors (as previously defined, the "Board") to serve as the governing body of the District. Members of the Board must be residents of the State and citizens of the United States. Pursuant to the Act, six (6) years after establishment and after 250 qualified electors reside within the District, the seats of Board members whose terms expire are filled by votes of the qualified electors of the District, except as described below. A qualified elector is a registered voter who is a resident of the District and the State and a citizen of the United States. At the election where Board members are first elected by qualified electors, two Board members must be qualified electors and be elected by qualified electors, both to four-year terms. A third Board member is elected through an election of the landowners of the District. Thereafter, as terms expire, all Board members must be qualified electors and are elected to serve four-year terms with staggered expiration dates in the manner set forth in the Act. The current members of the Board and their respective term expiration dates are set forth below.

<u>Name</u>	<u>Title</u>	<u>Expiration of Term</u>
Amanda King*	Chairperson	November 2026
Pete Williams	Vice Chairperson	November 2024
Deneen Klenke*	Assistant Secretary	November 2026
Lynda McMorrow*	Assistant Secretary	November 2024
John Blakley	Assistant Secretary	November 2024

\* Affiliate or employee of the Developer.

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

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

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

Rizzetta & Company, Incorporated, has been retained as the firm to provide district management services for the District (in such capacity, the "District Manager"). The District Manager's office is located at 3434 Colwell Avenue, Suite 200, Tampa, Florida 33614 and their phone number is (888) 208-5008.

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

The Act further authorizes the Board to hire such employees and agents as it deems necessary. Thus, the District has employed the services of Bryant Miller Olive P.A., Orlando, Florida, as Bond Counsel; Kutak Rock LLP, Tallahassee, Florida, as District Counsel; Heidt Design, LLC, Tampa, Florida, as Consulting Engineer; and Rizzetta & Company, Incorporated, Tampa, Florida, as Assessment Consultant.

### **PRIOR DISTRICT INDEBTEDNESS**

The District previously issued its \$11,350,000 Special Assessment Revenue Bonds, Series 2022 (the "Series 2022 Bonds"), of which \$11,350,000 is currently Outstanding. The Series 2022 Bonds are secured by Assessments (the "Series 2022 Assessments") which are levied on assessable land within the District constituting Phases A, D-1, D-2 and G-1, which has been developed into 598 platted lots (the "Series 2022 Assessment Area"). As described herein, the District will issue its Series 2024 Bonds to support the development of

a portion of the remaining lands in the District constituting Phases G-2 and B which are planned to be developed into 485 single-family units (as previously defined, the "Series 2024 Assessment Area"). As discussed in more detail under the heading "THE SERIES 2024 ASSESSMENT AREA," Phase G-2 represents the extension of the existing conventional home neighborhood at Waterset and Phase B represents the initial phase of an active adult neighborhood to be constructed in the community. The Series 2024 Assessments securing the Series 2024 Bonds will be levied on all assessable lands in the Series 2024 Assessment Area. The Series 2022 Assessment Area and Series 2024 Assessment Area are separate and distinct areas and therefore the Series 2022 Assessments and the Series 2024 Assessments do not overlap.

## **THE CAPITAL IMPROVEMENT PROGRAM AND THE SERIES 2024 PROJECT**

Heidt Design, LLC (the "Consulting Engineer"), prepared the Master Report of District Engineer, Master Capital Improvement Plan dated August 2022 (the "Master Engineer's Report"), in conjunction with the validation of the Bonds to be issued by the District describing the scope and estimated cost of the District's capital improvement program (as previously defined, the "CIP") and, as supplemented with detailed information concerning the Series 2024 Project, the Supplemental District Engineer's Report, Series 2024 Project (2024 Assessment Area) dated [October 2023] (the "Supplemental Engineer's Report" and, together with the Master Engineer's Report, the "Engineer's Report"), each attached hereto as part of composite APPENDIX A. The information in this section relating to the CIP and the Series 2024 Project is qualified in its entirety by reference to such Engineer's Report, which should be read in its entirety.

The CIP is estimated to cost approximately \$131.6 million and includes earthwork, roadway improvements, stormwater management facilities, off-site roadway improvements, potable water and wastewater facilities, reclaimed water facilities, landscaping and sidewalk improvements, recreational facilities, and associated professional fees and contingency. The capital improvements described in the CIP have and continue to be constructed in multiple phases over time to ultimately provide infrastructure supporting the development of the entire District.

The District previously issued its Series 2022 Bonds to acquire and/or construct a portion of the public capital improvements in the Series 2022 Assessment Area in an approximate amount of \$9.9 million. The portion of the CIP benefiting the Series 2022 Assessment Area, which has been platted into 598 units, is complete.

The Series 2024 Project consists of a portion of the CIP in an approximate amount of \$45.7 million and includes the costs allocable to the Series 2024 Assessment Area, which is planned for 485 single-family units within Phases G-2 and B, and includes those parcels situated in the District west off of the eastern entry road of the District located at Waterset Boulevard and further south along the planned extension of 30<sup>th</sup> Street. As discussed in more detail under the heading "THE SERIES 2024 ASSESSMENT AREA," Phase G-2 represents the extension of the existing conventional home neighborhood at Waterset and Phase B represents the initial phase of an active adult neighborhood to be constructed in the community.

Proceeds of the Series 2024 Bonds in the approximate amount of \$7.3 million\* will be used to fund the acquisition and/or construction of a portion of the Series 2024 Project. The Developer estimates it has expended approximately \$[ ] million towards the CIP of which approximately \$[ ] million is attributable to the Series 2024 Project. The remainder of the Series 2024 Project not funded with proceeds of the Series 2024 Bonds is anticipated to be funded with contributions from the Developer. At the time of issuance of the Series 2024 Bonds, the Developer and the District will enter into the Completion Agreement whereby the Developer will agree to complete those portions of the Series 2024 Project not funded with proceeds of the Series 2024 Bonds. See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2024 BONDS – Completion Agreement" herein. The District cannot make any representation that the Developer will have sufficient funds to complete the Series 2024 Project. In addition, subsequent to the issuance of the Series 2024 Bonds, the District intends to issue additional Series of Bonds to fund the acquisition and/or construction of additional portions of the CIP.

The status of construction and permitting for the Series 2024 Project is outlined in the Engineer's Report attached hereto as composite APPENDIX A. The Consulting Engineer has indicated that all permits necessary to construct the Series 2024 Project have either been obtained or are expected to be obtained in the ordinary course of business.

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

Two (2) assessment areas have been established within the District known as the Series 2022 Assessment Area and the Series 2024 Assessment Area. The District previously issued its Series 2022 Bonds to fund a portion of the CIP benefiting the Series 2022 Assessment Area, which has been fully developed into 598 platted lots within Phases A, D-1, D-2 and G-1. The Series 2022 Bonds are secured by the revenues received from the collection of the Series 2022 Assessments which are levied on the Series 2022 Assessment Area.

Additional development is currently underway in the Series 2024 Assessment Area which encompasses approximately 234.5 acres and is planned for 485 single-family units in Phases G-2 and B.

Rizzetta & Company, Incorporated (in such capacity, the "Assessment Consultant"), has prepared the Master Special Assessment Allocation Report dated August 9, 2022 (the "Master Assessment Report") and the Preliminary Supplemental Special Assessment Allocation Report dated [December 14, 2023] (the "Supplemental Assessment Report" and, together with the Master Assessment Report, the "Assessment Report"), each attached hereto as composite APPENDIX B. The Assessment Report provides a methodology to allocate the total costs and benefit derived from the Series 2024 Project and the Series 2024 Assessments levied in connection with the Series 2024 Bonds. The Series 2024 Assessments securing the Series 2024 Bonds will initially be levied on an equal per acre basis on the lands within the Series 2024 Assessment Area. As the assessable parcels of land within the Series 2024 Assessment Area are developed and platted, the Series 2024 Assessments will then be allocated to each of the platted units by product type as set forth

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\* Preliminary, subject to change.

in the Supplemental Assessment Report. The Series 2024 Assessments are ultimately expected to be allocated on a per unit basis to the 485 single-family units planned within the Series 2024 Assessment Area. As discussed herein, 182 of the 485 single-family units have been platted thereby resulting in the allocation of approximately \$[1.9] million or [23]% of the principal amount of the Series 2024 Assessments to platted units. The unassigned portion of the Series 2024 Assessments will be allocated to the remaining 303 planned single-family units in the Series 2024 Assessment Area upon their platting, which is anticipated to occur in the first quarter of 2024. The par per unit and annual Series 2024 Assessments for the Series 2024 Bonds are estimated to be as follows:

<b>Product Type</b>	<b># of Units</b>	<b>Est. Series 2024 Bonds Principal Per Unit*</b>	<b>Est. Series 2024 Bonds Gross Annual Debt Service Per Unit**†</b>
<b><i>Phase G-2, Conventional Home Neighborhood</i></b>			
Single-family 50'	167	\$18,906	\$1,500
Single-family 60'	86	22,687	1,800
Single-family 70'	50	26,468	2,100
<b><i>Subtotal</i></b>	<b><i>303</i></b>		
<b><i>Phase B, Active Adult Neighborhood</i></b>			
Villa 36'	46	\$ 7,714	\$ 612
Single-family 50'	77	10,713	850
Single-family 60'	59	12,856	1,020
<b><i>Subtotal</i></b>	<b><i>182</i></b>		
<b>Total</b>	<b>485</b>		

\* Preliminary, subject to change.

† Includes gross-up of 4% for early payment and 2% for collection fees imposed by the County.

## WATERSET

### Overview

Waterset is an approximately 2,375-acre master-planned community located in south Hillsborough County, Florida, in an area known as Southshore. The master-planned community is generally bordered to the north by Big Bend Road, to the south by 19<sup>th</sup> Avenue, to the west by U.S. Highway 41 and to the east by Interstate 75. As discussed herein, the District comprises the acreage in Waterset located in the southernmost portion of the community, comprising 759 acres bound to the north by Stake Tomato Road and to the south by 19<sup>th</sup> Avenue.

Waterset's northern entrance is located on Big Bend Road, approximately one (1) mile west of Interstate 75. Interstate 75 intersects with the Crosstown Expressway and Interstate 4 approximately ten (10) and fifteen (15) miles north of Waterset, respectively. Both the Crosstown Expressway and Interstate 4 provide direct access to downtown Tampa and the Tampa International Airport/Westshore employment areas, both of which can be reached within approximately thirty (30) minutes. U.S. Highway 41 and U.S. Highway 301 parallel Interstate 75 and provide additional access to points north and south of Waterset. U.S. Highway 301 and Interstate 75 also provide direct fifteen (15) minute access to the

Brandon area, a suburban community of the metropolitan Tampa housing market which features a large and growing concentration of employment, as well as retail establishments including the Westfield Brandon shopping mall, entertainment facilities, restaurants, medical and professional services and many other commercial facilities.

As currently entitled, Waterset is approved for 6,428 residential units, 498,480 square feet of commercial space and 198,900 square feet of office space. To date, multiple community development districts have been established to finance, plan, acquire and/or construct infrastructure in Waterset, including the Waterset North Community Development District ("Waterset North"), the Waterset Central Community Development District ("Waterset Central") and the District. Despite the establishment of multiple community development districts, Waterset continues to function as a single, interrelated community designed to include a diverse range of residential and commercial neighborhoods built around a backdrop of trails, lakes and ponds.

Waterset is being developed by NNP-Southbend II, LLC, a Delaware limited liability company (as previously defined, the "Developer"), and an affiliated entity of Sekisui House, Ltd. ("Sekisui") and Brookfield Residential Properties, Inc. ("BRPI"). Sekisui is a publicly traded company on the Tokyo stock exchange and is described as the largest home builder in Japan. BRPI is a leading land developer and homebuilder in North America.

As discussed in more detail herein, Waterset is currently planned to include home sites on varying lot sizes, creating a customized neighborhood feel in an effort to appeal to a wide range of buyer profiles. Development activities in Waterset commenced in the first quarter of 2005 and as of November 30, 2023, the Developer had substantially developed over 3,658 single-family lots along with the landscaped entry at Big Bend Road, a portion of the landscaped spine road, recreational facilities and additional horizontal infrastructure supporting development across all three (3) community development districts established within Waterset. Waterset Boulevard serves as the main spine road traversing Waterset and continues to be extended through the community to its planned southern entrance at 19<sup>th</sup> Avenue. The community features resort-style amenities that are designed to appeal to active residents. Currently, Waterset offers the Landing Club and Café, the Waterset Club, the Lakeside and the Waterline Station as well as twelve (12) miles of trails and ten (10) parks and playgrounds. Additional like-amenities are planned for the District.

Development in Waterset North and Waterset Central, constituting the first two (2) community development districts established in Waterset, is substantially complete and includes the development and platting of 2,577 lots therein. As of November 30, 2023, according to the Developer, a total of 2,757 homes had closed with retail buyers in such districts. Further, as discussed below, Waterset has commenced its next phases of construction, which are primarily located in the District and planned for a total of 1,641 units in a conventional home neighborhood and active adult neighborhood. To date, two (2) assessment areas have been established to facilitate the development and financing of the land within the District, including (a) the Series 2022 Assessment Area, fully developed and platted for 598 single-family homes in Phases A, D-1, D-2 and G-1 and (b) the Series 2024 Assessment Area, substantially developed and planned for 485 single-family units in Phases G-2 and B.

Development activities in the District commenced in the second quarter of 2021 and as of November 30, 2023, the Developer had substantially developed 1,083 of the planned 1,641 lots in the District. The Series 2022 Assessment Area is complete and includes the full development and platting of all 598 lots therein. Further, as of November 30, 2023, builders had closed on 437 lots in the Series 2022 Assessment Area and have entered into approximately 243 home sales contracts with retail buyers, of which approximately 192 have closed.

As referenced herein, construction of the Series 2024 Assessment Area, planned for a total of 485 single-family units in a conventional home neighborhood and active adult neighborhood, is substantially complete. As of November 30, 2023, builders had entered into contracts to purchase 275 lots in the Series 2024 Assessment Area, of which sixteen (16) had closed. As further described herein, the initial homes in the Series 2024 Assessment Area will be constructed by Cardel Homes, Homes by Westbay, David Weekley Homes, Pulte Homes and Toll Brothers, many of which have been active builders in the Waterset community since its inception.

More information on Waterset can be found by visiting [www.watersetfl.com](http://www.watersetfl.com).

**Entitlements/Zoning**

Waterset is located within the Waterset Development of Regional Impact (the "Waterset DRI") which originally received development order approval in January 1990 and has since been amended multiple times, most recently in March 2020 (as amended, the "Waterset DO"). Development of the property comprising the District will be undertaken in accordance with the Waterset DO as more specifically described below.

*Land Use.* As discussed above, the Waterset DO has been amended multiple times to include additional acreage in the Waterset DRI and further authorizing the following development rights, which may be exchanged or converted in accordance with the land use exchange/conversion matrix.

<u>Land Use</u>	<u>Total</u>
Residential	
Single-family Detached (units)	3,619
Single-family Attached (units)	959
Senior Adult Detached (units)	400
Senior Adult Attached (units)	100
Multi-family/Apartments (units)	1,350
Commercial (sq. ft.)	498,480
Office (sq. ft.)	198,900
Schools (2 sites) (acres)	40.0
Parks (acres)	27.0
County Park (acres)	80.0
Upland/Open Space (acres)	55.3
Wetlands (acres)	104.5
Major Roads	157.0

The Waterset DO expiration date is June 21, 2037 and therefore is not subject to downzoning or unit density reduction until then. As of [November 30, 2023, Waterset had



met all requirements and conditions set forth in the Waterset DO as and when required, permitting continued development work in the Series 2024 Assessment Area and the District].

*Development Conditions.* The Waterset DO sets forth certain conditions related to project design, transportation, wetlands, floodplain and disaster preparedness, natural vegetation and wildlife, water supply and wastewater treatment, solid/hazardous waste, stormwater management, water quality and drainage, energy, education, fire/police and recreation and open space. Certain of the conditions of the Waterset DO are summarized below but are not meant to provide an exhaustive list of all of the conditions set forth in the Waterset DO.

- *Education.* The Waterset DO stipulates that upon request of the Hillsborough County School Board (the "School Board"), the Developer shall dedicate and convey to the School Board a total of up to forty (40) acres of upland land to accommodate up to 2,300 students at the elementary and/or middle school level. An approximately 16.795-acre site just south of Apollo Beach Boulevard (Paseo Al Mar Boulevard) and east of Covington Garden Drive was dedicated and conveyed to the School Board for the construction of Dorothy C. York Pre-K-8 magnet school, which opened in August 2022. An additional school site located just outside the District at the southwest corner of Covington Garden Drive and west of 30<sup>th</sup> Street was dedicated and conveyed to the School Board in February 2023.
- *Fire Station.* The Developer is required to convey an approximately one (1) acre parcel in the southern portion of Waterset for dedication to the County for use as a fire station.
- *Recreation and Open Space.* The Developer is required to reserve twenty-seven (27) acres in Waterset for community and park/recreation areas, for which such obligation has been met and exceeded. In addition, the County completed the initial phases of construction of a regional sports complex, known as the SouthShore Sportplex on an eighty (80) acre parcel located within the Waterset community.
- *Transportation.* The Developer's proportionate share of costs required to address the mitigation of transportation impacts of Waterset through build-out is approximately \$92.7 million, of which approximately \$74.8 million has already been spent. The Developer is required to mitigate the impacts of future development within Waterset by completing the transportation improvements set forth in the Waterset DO, which shall be completed regardless of cost. Certain of the transportation improvements are summarized below, some of which provide for the receipt of mobility fee credits. Such conditions, or a portion thereof, are intended to be met in conjunction with the development of the District and are therefore included as part of the District's CIP.
  - *Waterset Boulevard* will extend north from Big Bend Road through the length of Waterset to its planned southernmost exit at 19<sup>th</sup> Avenue. Pursuant to the Waterset DO, the extension of Waterset Boulevard shall be completed no later than March 22, 2025. The zoning ordinance PRS 20-0004 further sets forth a completion date of [December 31, 2023], requiring the completion of a continuous north-south connection road consisting of either (a) Waterset Boulevard in its

entirety or (b) Waterset Boulevard to its point of intersection with 30<sup>th</sup> Street and 30<sup>th</sup> Street from the southern boundary of the Waterset community at 19<sup>th</sup> Avenue to its point of intersection with Waterset Boulevard. To date, the Developer has completed portions of Waterset Boulevard at Big Bend Road to its current terminus positioned in the District just past 30<sup>th</sup> Street to the roundabout at Covington Garden Drive.

- *Apollo Beach Boulevard (Paseo Al Mar Boulevard)* is a four-lane roadway running west/east from U.S. Highway 41 through the Waterset community to its intersect at Covington Garden Drive. The Apollo Beach Boulevard extension was completed in 2018 in accordance with the Waterset DO.
- *30<sup>th</sup> Street* is planned as a two-lane roadway that will extend from just north of Apollo Beach Boulevard (Paseo Al Mar Boulevard) to the community's southernmost boundary at 19<sup>th</sup> Avenue, providing for an additional north/south roadway through Waterset. To date, the Developer has completed portions of 30<sup>th</sup> Street extending south from Milestone Drive through Apollo Beach Boulevard (Paseo Al Mar Boulevard) and an additional segment of the road located within the District extending south from Stake Tomato Road through its intersect with Waterset Boulevard and Covington Garden Drive and further south along Phase G-2. Work to extend 30<sup>th</sup> Street to its southernmost exit at 19<sup>th</sup> Avenue has commenced and is anticipated to be complete by the second quarter of 2024. Pursuant to the Waterset DO, 30<sup>th</sup> Street shall be completed by April 28, 2025.
- *Covington Garden Drive* has been completed as a two-lane road from the northern boundary of Waterset to its current terminus located in the District at the roundabout at Waterset Boulevard.
- *I-75 Flyover* is a four-lane overpass road, connecting Apollo Beach Boulevard (Paseo Al Mar Boulevard) from U.S. Highway 41 west of I-75 to U.S. Highway 301 east of I-75. Construction of the I-75 Flyover was constructed by the County and completed in July 2022. The Developer's obligations for the design, permit and construction of the I-75 Flyover were capped at \$12.0 million plus interest, as set forth in the Waterset DO. The Developer spent approximately \$13.3 million towards the costs for construction of the I-75 Flyover, and the remaining costs were funded by the County.
- *Additional Transportation Improvements* are planned within Waterset, including the construction of improvements to the Apollo Beach Boulevard/U.S. Highway 41 intersection, which have been completed and are in operation, and additional traffic and intersection improvements along 19<sup>th</sup> Avenue and Big Bend Road.

## THE SERIES 2024 ASSESSMENT AREA

### General

The lands within the District encompass approximately 759 acres in the southernmost portion of the Waterset community and are planned to include 1,092 single-

family homes in a conventional home neighborhood and 549 single-family and villa homes in an active adult neighborhood, which is the first age-restricted neighborhood being developed within the Waterset community.

As previously discussed herein, two (2) assessment areas have been established within the District known as the Series 2022 Assessment Area and the Series 2024 Assessment Area. The initial phase of development occurred in the Series 2022 Assessment Area, which has been fully developed into 598 single-family platted lots that constitute Phases A, D-1, D-2 and G-1. Additional development is currently underway in the Series 2024 Assessment Area, which encompasses approximately 234.5 acres in the District that constitute Phases G-2 and B planned in aggregate for 485 single-family units. The Series 2024 Assessment Area is planned to include 303 single-family homes in the conventional home neighborhood and 182 single-family and villa homes in the active adult neighborhood. Development activities within the Series 2024 Assessment Area commenced in February 2022. As of November 30, 2023, builders had entered into contracts to purchase 275 of the planned 485 lots in the Series 2024 Assessment Area, of which sixteen (16) had closed.

### **Land Acquisition and Development Financing**

The Developer acquired the lands constituting Waterset, including the acreage encompassing the Series 2022 Assessment Area and Series 2024 Assessment Area in the District, and together with lands outside the District, in a series of acquisitions from October 2004 through December 2023, for total consideration of approximately \$42.617 million. The acquisition of such land was primarily effectuated with Developer equity. Certain of the District lands and the Series 2024 Assessment Area are subject to the NASH Mortgages (hereinafter defined) securing the Construction Loan Agreement (hereinafter defined).

The Developer is under contract to purchase the remaining land in the District, constituting a portion of Parcel C. Such land is currently planned to be purchased in December 2024.

Financing for the development of Waterset, including the Series 2024 Assessment Area, has been and will continue to be provided under the terms of an Amended and Restated Acquisition, Development and Construction Loan and Security Agreement dated December 22, 2017, as amended (the "Construction Loan Agreement") between NASH-Newland, LLC, an upstream affiliate of Developer, as borrower, and NASH Financing, LLC (the "Development Lender"). In the Construction Loan Agreement, the Development Lender has made a commitment to the Developer to loan up to 50% of project costs related to the construction of Waterset, including payment of real property taxes and assessments. The revolving funding commitment permits the Developer to borrow, repay and re-borrow funds. This amount, together with initial Developer equity and revenue received from the sale of lots to homebuilders, is projected to be sufficient to fund the improvements for Waterset. As of November 30, 2023, the Developer had borrowed \$109.801 million under the Construction Loan Agreement and repaid \$97.181 million, leaving an outstanding balance of \$12.62 million, which the Developer expects to repay from lot sale proceeds.

The Development Lender's obligation to loan funds to Developer is expressly conditioned upon the Development Lender's ability to borrow funds from its funding bank,

presently The Bank of Tokyo-Mitsubishi UFJ, Ltd. ("BTMU"), pursuant to a loan agreement with BTMU (the "BTMU Loan Agreement"). The Development Lender's obligation to make loans to the Developer currently terminates on February 17, 2026, unless BTMU extends its commitment to the Development Lender. To date, the Development Lender's commitment to the Developer has been renewed on a rolling and routine basis shortly before the then-current expiration date, as to this and other NASH-Newland, LLC projects, and the Developer has no reason to believe that an extension will not be provided in the ordinary course.

The Development Lender has represented to the Developer that the BTMU Loan Agreement (a) is a revolving loan facility under which the Development Lender may borrow funds, repay loans and re-borrow, provided the amount outstanding does not exceed the lending limit, and is on substantially similar terms as the Construction Loan Agreement, (b) was entered into for the sole purpose of providing funding to the Development Lender to provide funding for the development of Waterset, (c) is secured solely by a corporate guarantee of the Development Lender's parent company, Sekisui House, Ltd. (as previously defined, "Sekisui"), and (d) contains cross-default provisions in which defaults under other loans from BTMU to, or guaranteed by, the parent company could result in a default under the BTMU Loan Agreement. Sekisui is a publicly traded company on the Tokyo stock exchange and is described as the largest home builder in Japan. The Development Lender has further represented that Sekisui has a banking relationship with BTMU that extends over 50 years.

The Construction Loan Agreement is secured by, among other things, (a) a Mortgage, Assignment of Rents, Security Agreement and Fixture Filing dated as of December 30, 2011, as modified, against title to certain lands owned by the Developer and (b) a Mortgage, Assignment of Rents, Security Agreement and Fixture Filing dated as of November 7, 2016, as modified, against title to certain additional lands owned by the Developer within the District (collectively, the "NASH Mortgages"). Upon issuance of the Series 2024 Bonds, the Development Lender will enter into an agreement acknowledging the superiority of the lien of the Series 2024 Assessments to the NASH Mortgages and subordinating the assignment of development rights provided for in the NASH Mortgages. See "BONDOWNERS' RISKS – Existing Mortgage and Mortgagee Acknowledgment" herein.

To date, the Developer estimates it has expended approximately \$[\_\_\_] million in development related expenditures allocable to the CIP of which approximately \$[\_\_\_] million is attributable to the Series 2024 Project. In addition to the proceeds of the Series 2024 Bonds, the Developer intends to utilize proceeds of the Construction Loan Agreement and equity contributions to fund the remaining development expenditures related to the Series 2024 Assessment Area. As discussed herein, development work in the Series 2024 Assessment Area is underway and is expected to be complete in the first quarter of 2024.

### **Entitlements/Permitting**

The Series 2024 Assessment Area is located in the larger Waterset master-planned community and is therefore governed by various documents which set forth numerous development obligations that have been or will be required to be undertaken by the Developer. See "WATERSET – Entitlements/Zoning" herein.

As discussed in more detail herein, development work for all 485 planned lots in the Series 2024 Assessment Area is substantially complete. In addition, all 182 lots in Phase B of the Series 2024 Assessment Area have been platted. Final plat approval for the remaining 303 lots located in Phase G-2 of the Series 2024 Assessment Area is expected by the first quarter of 2024.

Upon issuance of the Series 2024 Bonds, the Consulting Engineer will certify that all permits for the development of the lands within the Series 2024 Assessment Area have either been obtained or are anticipated to be obtained in the ordinary course.

**Environmental**

The Developer commissioned a Phase 1 Environmental Site Assessment for the lands within the District from Land Assessment Services, Inc. (the "Phase 1 ESA") in May 2020 and updated in December 2020. The Phase 1 ESA discussed the historical row crop farming on the property and the potential for residual chemical impacts. An addendum to the Phase 1 ESA was issued in conjunction with the takedown of property including the Series 2024 Assessment Area in 2021 and again in 2022. The addendums revealed no evidence of environmentally recognized conditions in the Series 2024 Assessment Area.

**Utilities**

The County is providing water and wastewater services to the Series 2024 Assessment Area. Electric power is being provided by Tampa Electric Company. Telephone, internet and cable are being provided by Frontier and Spectrum.

**Land Use/Phasing Plan**

As referenced herein, the Series 2024 Assessment Area comprises an estimated 485 of the planned 1,641 units in the District. As currently planned, the lands within the Series 2024 Assessment Area are expected to include 303 residential units in the conventional home neighborhood situated in Phase G-2 of the District and 182 residential units in the active adult neighborhood situated in Phase B of the District. A summary of the unit mix and phasing for the Series 2024 Assessment Area is provided below, which is subject to change.

<b>Product Type</b>	<b>Conventional Home Phase G-2</b>	<b>Active Adult Phase B</b>	<b>Total</b>
Villa 36'	--	46	46
Single-family 50'	167	77	244
Single-family 60'	86	59	145
Single-family 70'	50	--	50
<b>Total</b>	<b>303</b>	<b>182</b>	<b>485</b>

**Development Status**

As discussed herein, work in the Series 2024 Assessment Area is being undertaken in phases. Development activities in the Series 2024 Assessment Area commenced in February 2022. Since then, 182 lots in Phase B of the Series 2024 Assessment Area have been platted, with final plat approval for the remaining 303 lots in Phase G-2 of the Series

2024 Assessment Area anticipated to occur by the first quarter of 2024. Development work for all phases in the Series 2024 Assessment Area is expected to be complete by the first quarter of 2024. The following table sets forth the anticipated construction schedule for infrastructure for each phase within the Series 2024 Assessment Area as provided by the Developer, which information is subject to change.

<b>Phase</b>	<b># of Units</b>	<b>Development Status</b>	<b>Expected Completion Date</b>
B	182	Platted, Substantially Complete	Q4 2023
G-2	303	Submitted for Plat Approval, Substantially Complete	Q1 2024
<b>Total</b>	<b>485</b>		

In addition, development of Waterset Boulevard extending south from the main entry of the Waterset community at Big Bend Road to the District and extending to the roundabout at Covington Garden Drive is also complete, providing immediate access to Phase B of the Series 2024 Assessment Area. Work on 30<sup>th</sup> Street, the collector road running along the eastern boarder of the District, has commenced and will ultimately connect to the community's exit at 19<sup>th</sup> Avenue. To date, work on the segment of 30<sup>th</sup> Street extending from the northern boundary of the District to its intersect at Waterset Boulevard and Covington Garden Drive and further south along Phase G-2 has been completed. Additional work to extend 30<sup>th</sup> Street to its southernmost exit at 19<sup>th</sup> Avenue has commenced and is anticipated to be complete by the second quarter of 2024, providing immediate access to Phase G-2 of the Series 2024 Assessment Area. Further, as discussed below under the sub-heading "- Builder Contracts," the first builder lot takedowns in the Series 2024 Assessment Area occurred in the fourth quarter of 2023.

### **Builder Contracts**

The Developer intends to continue to develop lots and sell them to builders. The Developer has previously entered into contracts for the sale of lots in the Series 2024 Assessment Area to each of, or affiliates of, Cardel Homes, Homes by West Bay, David Weekley Homes, Pulte Homes and Toll Brothers (together, the "Builders," and, collectively, the purchase contract with each of the Builders, the "Builder Contracts"). As of November 30, 2023, the Developer entered into the Builder Contracts with the Builders for the purchase of 275 of the planned 485 lots within the Series 2024 Assessment Area, which includes all 182 lots in Phase B and 93 lots in Phase G-2.

The initial Builder Contracts have substantially similar provisions concerning the takedown of lots and purchase prices. The Builder Contracts provide for closing on each homesite to occur in a series of takedowns upon the Developer's substantial completion of all development-related work. With the exception of the age-restricted lots contracted to Toll Brothers, the Builders are in sequence obligated to complete the construction of homes no later than twelve (12) months after issuance of a building permit. Pursuant to its purchase contract, Toll Brothers is obligated to complete the construction of homes no later than twenty-four months after issuance of a building permit and is further required to construct an amenity facility for its planned active adult neighborhood. The first lot takedown in the Series 2024 Assessment Area occurred in the fourth quarter of 2023. Each closing thereafter is scheduled to occur quarterly, with final lot closings scheduled to occur by the second quarter of 2025. See "- Projected Absorption" below for a detail of the estimated lot closings by product type.

<u>Builder</u>	<u>Lot Type</u>	<u>Lots Under Contract</u>	<u>Lots Closed</u>	<u>Final Takedown</u>
<b><i>Conventional Home Neighborhood</i></b>				
Cardel Homes				
	SF 50'	13	--	Q2 2024
Homes by Westbay				
	SF 60'	17	--	Q4 2024
	SF 70'	35	--	Q4 2024
David Weekley Homes				
	SF 50'	13	--	Q2 2024
Pulte Homes				
	SF 60'	15	--	Q2 2024
<b><i>Active Adult Neighborhood</i></b>				
Toll Brothers				
	Villa 36'	46	10	Q2 2025
	SF 50'	77	3	Q2 2025
	SF 40'	59	3	Q2 2025
<b>Total</b>		<b>275</b>	<b>16</b>	

As detailed in the table below, the base lot purchase prices set forth within the Builder Contracts range from \$110,000 to \$168,000 for the single-family product types located in the conventional home neighborhood and \$64,800 to \$108,000 for the single-family and villa lots located in the active adult neighborhood. The base lot purchase price is subject to a purchase price escalation of 0.5% each month commencing with the initial closing of a conventional home lot and 1.5% each quarter commencing with the initial closing of an active adult lot. In addition to the base lot purchase prices, the Builders must also pay an additional purchase price at the time of each home closing equal to a percentage of the gross purchase price to the homebuyer less the base lot purchase price.

<u>Product Type</u>	<u>Base Lot Pricing</u>	
	<u>Conventional Lot</u>	<u>Active Adult Lot</u>
Villa 36'	--	\$64,800
Single-family 50'	\$110,000 – \$116,250	\$90,000
Single-family 60'	\$132,000 – \$139,500	\$108,000
Single-family 70'	\$168,000	--

As indicated above, many of the Builders in the Series 2024 Assessment have been active builders in the Waterset community since its inception. It is anticipated that the Builders in the Series 2024 Assessment Area as well as an expanded list of builders will contract on lots in the same product lines for the remaining 210 lots in Phase G-2 of the Series 2024 Assessment Area. Further, outside of the Series 2024 Assessment Area, the Developer has contracted with Toll Brothers for all 367 lots in Phase C situated in the active adult neighborhood of the District.

### **Participating Builders**

The following represents summary information and was obtained from the respective websites of the participating Builders currently active in the Series 2024 Assessment Area as of the date of this Limited Offering Memorandum. Such information has not been independently verified by the Developer or its counsel, the District or its

counsel, the Underwriter or its counsel, or Bond Counsel, and no person makes any representation or warranty as to the accuracy or completeness of such information.

**Cardel Homes** has been building for nearly fifty (50) years and today has grown into an international builder with operations in Florida, Colorado, Alberta and Ontario. Cardel is headquartered in Calgary, Alberta. Cardel has built homes in several Tampa Bay area communities including Waterset North, Waterset South, Covington Park, Fishhawk Ranch, Highland Park and Oak Creek.

**Homes by West Bay** was formed on October 1, 2009. According to its website, the company founder has been involved in homebuilding since 1980 and has been an active homebuilder in Tampa for more than a decade. Homes by West Bay has built homes in several Tampa Bay area communities, including Fishhawk Ranch, Starkey Ranch, Triple Creek, Waterleaf, Waterset North and Waterset South.

**David Weekley Homes** was founded in 1976 and is now the largest privately-held home builder in America. The company has sold more than 115,000 homes and expanded to nineteen (19) cities across the nation. As a result of the company's progressive management methodologies where people are the primary focus of the organization, the company has been named to FORTUNE'S "100 Best Companies to Work For<sup>®</sup>" list seventeen (17) times. David Weekley Homes was the first builder in the United States to be awarded the Triple Crown of American Home Building, an honor which includes "America's Best Builder," "National Housing Quality Award" and "National Builder of the Year."

**Pulte Homes** is a Michigan limited liability company and, as of December 31, 2016, is the successor by conversion of Pulte Home Corporation and is wholly owned by PulteGroup, Inc., a Michigan corporation ("PulteGroup"). PulteGroup, based in Atlanta, Georgia, is one of America's largest homebuilding companies with operations in approximately forty-four (44) markets throughout the country. In total, the company has built over 775,000 homes. PulteGroup is a publicly-traded company on the New York Stock Exchange, listed under the symbol PHM.

**Toll Brothers** is a Fortune 500 company and is the nation's leading builder of luxury homes. The company began business over fifty (50) years ago in 1967 and became a public company in 1986. The company serves move-up, empty-nester, active adult, and second-home buyers and operates in twenty-four (24) states. Toll Brothers is a publicly-traded company on the New York Stock Exchange, listed under the symbol TOL.

### **Projected Absorption**

The following table sets forth the anticipated lot absorption schedule for residential lot takedowns by builders of the 485 lots within the Series 2024 Assessment Area. As of November 30, 2023, builders had entered into contracts to purchase 275 of the planned 485 lots in the Series 2024 Assessment Area, of which sixteen (16) had closed.



<b>Product Type</b>	<b>Closings</b>				
	<b>to Date</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>Total</b>
Villa 36'	10	22	14	--	46
Single-family 50'	3	78	87	76	244
Single-family 60'	3	53	72	17	145
Single-family 70'	--	35	15	--	50
<b>Total</b>	<b>16</b>	<b>188</b>	<b>188</b>	<b>93</b>	<b>485</b>

The following table sets forth the anticipated pace of home closings with ultimate retail homebuyers in the Series 2024 Assessment Area. Actual home/lot closings with the ultimate retail homebuyer is dependent on the success of the Builders in the Series 2024 Assessment Area.

<b>Product Type</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>Total</b>
Villa 36'	4	20	22	--	--	46
Single-family 50'	6	72	72	74	20	244
Single-family 60'	6	60	60	19	--	145
Single-family 70'	--	25	25	--	--	50
<b>Total</b>	<b>16</b>	<b>177</b>	<b>179</b>	<b>93</b>	<b>20</b>	<b>485</b>

### Residential Product Offerings

The Series 2024 Assessment Area will serve as an extension of the existing Waterset community and will offer an array of homes to appeal to a wide range of buyer profiles. The Series 2024 Assessment Area currently features four (4) builders that plan to offer single-family homes in the conventional home neighborhood and one (1) builder that plans to offer single-family and villa homes in the active adult neighborhood of the District. See "Participating Builders" hereinabove. The information in the table below illustrates the current or estimated base pricing and square footage for the residential units in the Series 2024 Assessment Area, which information is subject to change.

<b>Product Type</b>	<b>Estimated Square Footage</b>	<b>Estimated Base Pricing</b>
<b><i>Conventional Home Neighborhood</i></b>		
Single-family 50'	2,010 – 2,746	\$572,625 – \$608,655
Single-family 60'	2,535 – 3,164	\$613,490 – \$720,340
Single-family 70'	3,198 – 3,900	\$822,813 – \$893,395
<b><i>Active Adult Neighborhood</i></b>		
Villa 36'	1,602 – 1,804	\$400,000 – \$500,000
Single-family 50'	1,661 – 1,979	\$420,000 – \$500,000
Single-family 60'	2,261 – 2,596	\$565,000 – \$650,000

### Home Construction/Sales Activity

Pursuant to the Builder Contracts, the Builders are each contractually required to construct a model home and speculative homes for each product segment offered in the Series 2024 Assessment Area. Construction of model homes in the Series 2024 Assessment Area is anticipated to be completed by the first quarter of 2024. Homes sales within the Series 2024 Assessment Area are anticipated to commence in the second quarter of 2024 with home closings anticipated to commence in the fourth quarter of 2024.

## **Assessment Areas**

The District is currently planned to be developed in multiple phases to ultimately provide infrastructure supporting the development of 1,641 residential units, including 1,092 single-family homes in a conventional home neighborhood and 549 single-family and villa homes in an active adult neighborhood.

The District previously issued its Series 2022 Bonds which are secured by the Series 2022 Assessments levied on lands constituting the Series 2022 Assessment Area. The initial phase of development occurred in the Series 2022 Assessment Area, which includes 598 single-family platted lots situated in Phases A, D-1, D-2 and G-1 and represents the extension of the existing conventional home neighborhood at Waterset. Development work in the Series 2022 Assessment Area is complete and includes the full development of all 598 units therein.

The Developer has previously entered into contracts for the sale of 587 of the planned 598 lots in the Series 2022 Assessment Area to each of, or affiliates of, Cardel Homes, Homes by West Bay, David Weekley Homes and Casa Fresca Homes. As of November 30, 2023, such builders had closed on 437 lots in the Series 2022 Assessment Area, with sell-out of the remaining contracted lots anticipated to occur by the fourth quarter of 2024. Further, home construction activities had commenced in all phases of the Series 2024 Assessment Area and as of November 30, 2023, builders have entered into approximately 243 home sales contracts with retail buyers, of which approximately 192 have closed.

As previously described herein under the heading "THE CAPITAL IMPROVEMENT PROGRAM AND THE SERIES 2024 PROJECT," the Series 2024 Bonds are being issued to fund a portion of the Series 2024 Project benefiting the Series 2024 Assessment Area in the approximate amount of \$7.3 million\*. The Series 2024 Assessments levied in connection with the Series 2024 Bonds are levied on the lands in Series 2024 Assessment Area.

## **Recreational Facilities**

Waterset is designed to reflect an active, family-friendly lifestyle. Construction of certain of the recreational options for Waterset are complete, including the Landing Club and Café, the Waterset Club, the Lakeside and the Waterline Station as well as twelve (12) miles of trails and ten (10) parks and playgrounds built around a backdrop of lakes and ponds. The Landing Club and Café, located just past the main entrance of Waterset, serves as a welcome center for the community and features 6,800 square feet of indoor space and 5,400 square feet of a covered outdoor space, including a café, fitness room, multipurpose room for resident events, swimming pool, outdoor screened game room and dock. Further, the Waterset Club, located further in the community at the intersect at Waterset Boulevard and Apollo Beach Boulevard (Paseo Al Mar Boulevard), features an approximately 5,000 square-foot clubhouse, resort-style swimming pool with two slides, a lap pool, fitness room, game room and gathering space. The Lakeside is a community park offering residents additional access to dog parks, a splash pad, trails, open space and a playground. The

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\* Preliminary, subject to change.

Waterset community's newest amenity, known as Waterline Station, features resort-style amenities including a pool, playground and open play area.

Waterset will expand its recreational facilities to include an additional clubhouse featuring a pool, pickle ball courts, fitness center, gathering room, playgrounds and volleyball courts in the conventional home neighborhood planned within the District. The Developer is currently planning an additional amenity center as well as neighborhood parks, pathways and trail system in the District. Construction of the amenity facilities is anticipated to commence by the third quarter of 2024 with completion expected by the first quarter of 2025. The recreational facilities will be owned and operated by the District.

In addition to the recreational facilities offered in the conventional home neighborhood within the District, Toll Brothers, pursuant to its purchase contract, is obligated to construct additional amenities in the active adult neighborhood designed to appeal to the 55+ active adult residents. Plans include a clubhouse, a pool, fitness center and meeting/activity space. Construction of such facility is anticipated to commence in the first quarter of 2024 with completion expected by the first quarter of 2025.

Finally, the Developer conveyed approximately eighty (80) acres located just outside of the District to the County for development of a regional sports complex. The first phase of the SouthShore Sportplex has been constructed and includes a youth-focused park with baseball and soccer fields, concession stands and walking trails.

## **Schools**

Based upon current school districting, school children residing in the Series 2024 Assessment Area will attend Doby Elementary School, Eisenhower Middle School and East Bay High School, each located approximately one (1) mile from the District. The elementary, middle and high school received "B," "C," and "C" ratings, respectively, from the Florida Department of Education for 2022. Future capacity limitations or redistricting could result in a change to which schools children residing in Waterset would attend.

In addition, children residing in the District may attend Waterset Charter School (K through 8), a tuition-free public charter school, and Kids R Kids Learning Academy of Waterset (educational programs for children ages 6 weeks to 12 years old). The Waterset Montessori School is located just past the main entrance of Waterset, adjacent to the Landing Club. In addition, pursuant to the Waterset DO, the Developer conveyed land to the County for the construction of the Dorothy C. York Pre-K-8 magnet school which opened in August 2022. Further, an additional school site located just outside the District at the southwest corner of Covington Garden Drive and west of 30<sup>th</sup> Street has been conveyed to the School Board.

## **Marketing**

The Developer employs a comprehensive marketing, vision and branding program for Waterset. Current components of the marketing program include online, social media, print media, television, radio, billboard and other signage, and other forms of marketing and promotion. A preview of Waterset and the branding material can also be seen online at [www.watersetfl.com](http://www.watersetfl.com).

In addition, the Developer has completed the construction of the Landing Club and Café, a welcome center and activity hub located along Waterset Boulevard just off the west entrance to Waterset.

Further, the Builders are charged a marketing fee which funds are utilized as a contribution towards the marketing efforts for Waterset. The Builders are also undertaking their own marketing efforts to market homes in the Series 2024 Assessment Area. In addition to using various strategies, outlets and media, the Builders are constructing eight (8) model homes within the Series 2024 Assessment Area. Further, the Waterset Welcome Center will be relocating to the Series 2024 Assessment Area in the third quarter of 2024.

**Fees and Assessments**

Each landowner in the Series 2024 Assessment Area will pay annual taxes, assessments, and fees on an ongoing basis as a result of their ownership of property within the Series 2024 Assessment Area, including ad valorem property taxes, homeowner's association fees, the Series 2024 Assessments levied in connection with the Series 2024 Bonds issued by the District, and administrative, operation and maintenance assessments levied by the District as described in more detail below.

Property Taxes. The current millage rate for the area of the County where the District is located is 17.3902. Assuming a \$400,000 taxable value, the annual property tax would be approximately \$6,956.

Homeowner's Association Fees. All homeowners will be subject to annual homeowner's association ("HOA") fees for architectural review, landscape maintenance, deed restriction enforcement and maintenance of any HOA-owned facilities. The current annual master HOA fee is \$89. In addition, a sub-association has been established for the active adult neighborhood. Monthly HOA fees for the active adult single-family and villa homes are expected to total \$318 and \$335, respectively.

District Special Assessments. All landowners residing in the Series 2024 Assessment Area will be subject to the Series 2024 Assessments levied in connection with the Series 2024 Bonds. In addition, all landowners in the Series 2024 Assessment Area will be subject to annual operation and maintenance assessments ("O&M Assessments") levied by the District which are derived from the District's annual budget and are subject to change each year. The table below illustrates the aforementioned annual assessments that will be levied by the District for each of the respective product types.

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<b>Product Type</b>	<b>Est. Series 2024 Bonds Gross Annual Debt Service Per Unit*</b>	<b>Est. FY24 O&amp;M Assessment Per Unit</b>
<b><i>Conventional Home Neighborhood</i></b>		
Single-family 50'	\$1,500	\$ 975
Single-family 60'	1,800	1,171
Single-family 70'	2,100	1,366
<b><i>Active Adult Neighborhood</i></b>		
Villa 36'	\$ 612	\$[ ]
Single-family 50'	850	[ ]
Single-family 60'	1,020	[ ]

\* Preliminary, subject to change. Includes gross-up of 4% for early payment and 2% for collection fees imposed by the County.

## **Competition**

The Developer expects that competition for the Series 2024 Assessment Area will primarily come from communities within its sub-market which include Triple Creek, Belmont, Southshore Bay, MiraBay and Berry Bay, all of which include one or more community development districts. Additional competition will also come from communities within the Manatee submarket, including the North River Ranch community which is located south along U.S. Highway 301.

This section does not purport to summarize all of the existing or planned communities in the area of Wateset, but rather to provide a description of those that the Developer feels pose primary competition to the homes to be constructed in the Series 2024 Assessment Area.

## **THE DEVELOPER**

NNP-Southbend II, LLC, a Delaware limited liability company (as previously defined, the "Developer"), was formed on April 26, 2004, and is wholly owned by NASH-Newland Segregated, LLC ("Segregated"). Segregated is wholly-owned by NASH-Newland, LLC, which is owned as follows:

- NASH Vingt-huit, LLC, which owns a 95% interest, is wholly-owned by North America Sekisui House, LLC ("NASH").
- Newland Land Ventures, LLC ("NLV"), which owns a 5% interest, is wholly-owned by American Newland Communities, LLC, formerly American Newland Communities, LP ("ANC").

In December 2011, NASH and NLV, through their affiliates, formed a new joint venture and acquired the largest operating portfolio of residential master-planned communities in the United States. The joint venture purchased the interests of the California Public Employees' Retirement System ("CalPERS") and ANC, in twenty-eight (28) master-planned communities, located in fifteen (15) markets in eleven (11) states. CalPERS and ANC have previously acquired, through a series of acquisitions and joint venture relationships, the assets of Genstar Land Company and Terrabrook, the land development subsidiary of Westbrook Partners, LLC.

NASH is the U.S. business operations unit and a full subsidiary of Sekisui House, Ltd. (as previously defined, "Sekisui"), Japan's largest homebuilder and a leading diversified developer since 1960. NASH establishes joint ventures to build innovative and sustainability-conscious master-planned communities. NASH is headquartered in Arlington, Virginia, and Sekisui is headquartered in Osaka, Japan, with affiliates and subsidiaries around the globe. NASH's website can be accessed at [www.nashcommunities.com](http://www.nashcommunities.com). Sekisui is a publicly-traded company on the Tokyo stock exchange. Sekisui's website can be accessed at [www.sekisuihouse.co.jp/english](http://www.sekisuihouse.co.jp/english).

In June 2021, Brookfield Residential Properties, Inc. (as previously defined, "BRPI") entered into separate interest purchase agreements with the partners that owned American Newland Communities, LP (as previously defined, "ANC"), the owner of NLV. The partners sold their respective limited and general partner interests in ANC to BRPI.

Brookfield Communities US, LLC ("BCUS"), and Brookfield Communities US GP, LLC ("BCUS-GP"), are subsidiaries of BRPI, a leading land developer and homebuilder in North America. BRPI entitles and develops land to create master-planned communities, builds and sells lots to third-party builders and conducts homebuilding operations. BRPI also participates in select strategic real estate opportunities, including infill projects, mixed-use developments and joint ventures. They are the flagship North American residential property company of Brookfield Asset Management, a leading global alternative asset manager. The 2021 acquisition of ANC positioned BRPI for growth by significantly widening the company's geographical footprint in key growth cities to complement its existing platform of master-planned communities, further strengthening BRPI's position as a leading land development company in North America. BRPI's website can be accessed at [www.brookfieldresidential.com](http://www.brookfieldresidential.com).

The Developer has entered into a project management agreement with Brookfield Newland Development, LLC, a Delaware limited liability company, a wholly owned subsidiary of Brookfield Properties Development, LLC ("BPD"), to manage the development of the property within the District.

BPD develops and operates real estate investments on behalf of Brookfield Asset Management, one of the largest alternative asset managers in the world. From office to retail, logistics to multifamily, and hospitality to development, BPD works across sectors to bring high-quality, sustainable real estate to life around the globe every day. BPD currently has over 800 managed properties, 375 million square feet managed globally and 50 million square feet under active development.

## **BONDOWNERS' RISKS**

There are certain risks inherent in an investment in bonds secured by special assessments issued by a public authority or governmental body in the State. Certain of these risks are described in the section above entitled "ENFORCEMENT OF ASSESSMENT COLLECTIONS." However, certain additional risks are associated with the Series 2024 Bonds offered hereby. This section does not purport to summarize all risks that may be associated with purchasing or owning the Series 2024 Bonds and prospective purchasers are advised to read this Limited Offering Memorandum including all

appendices hereto in its entirety to identify investment considerations relating to the Series 2024 Bonds.

### **Limited Pledge**

The principal security for the payment of Debt Service on the Series 2024 Bonds is the timely collection of the Series 2024 Assessments. The Series 2024 Assessments do not constitute a personal indebtedness of the owners of the land subject thereto but are secured by a lien on such land. There is no assurance that the Developer or any subsequent landowner will be able to pay the Series 2024 Assessments or that they will pay such Series 2024 Assessments even though financially able to do so. Neither the Developer nor any subsequent landowner is a guarantor of payment of any Series 2024 Assessment and the recourse for the failure of the Developer or any subsequent landowner to pay the Series 2024 Assessments is limited to the collection proceedings against the land. See "ENFORCEMENT OF ASSESSMENT COLLECTIONS" herein. The District has not granted, and may not grant under State law, a mortgage or security interest in the Series 2024 Project. Furthermore, the District has not pledged the revenues, if any, from the operation of the Series 2024 Project as security for, or a source of payment of, the Series 2024 Bonds. The Series 2024 Bonds are payable solely from, and secured solely by, the Series 2024 Trust Estate, including the Series 2024 Assessments. The failure of the Developer or any subsequent landowner to pay the required Series 2024 Assessment on its property will not result in an increase in the amount of Series 2024 Assessments other landowners are or would be required to pay.

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

Until assessable properties within the District are sold to end users, payment of the Series 2024 Assessments is substantially dependent upon their timely payment by the Developer. In the event of the institution of bankruptcy or similar proceedings with respect to the Developer or any other subsequent significant owner of property subject to the Series 2024 Assessments, delays and impairment could occur in the payment of Debt Service on the Series 2024 Bonds as such bankruptcy could negatively impact the ability of (a) the Developer or any other landowner being able to pay the Series 2024 Assessments, (b) the County to sell tax certificates in relation to such property with respect to the Series 2024 Assessments being collected pursuant to the Uniform Method, and (c) the District's ability to enforce collection with respect to the Series 2024 Assessments not being collected pursuant to the Uniform Method. In addition, the remedies available to the Owners of the Series 2024 Bonds, the Trustee and the District upon an Event of Default under the Indenture are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including during a bankruptcy of the Developer or any other landowner, the remedies specified by federal, State and local law and in the Indenture and the Series 2024 Bonds, including, without limitation, enforcement of the obligation to pay Series 2024 Assessments and the ability of the District to foreclose the lien of the Series 2024 Assessments, may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2024 Bonds (including Bond Counsel's approving opinion) will be qualified as to the enforceability of the various legal instruments by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors enacted before or after such delivery. The

inability, either partially or fully, to enforce available remedies respecting the Series 2024 Bonds could have a material adverse impact on the interest of the Owners thereof.

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

Beyond legal delays that could result from bankruptcy, the ability of the County to sell tax certificates in regard to delinquent Series 2024 Assessments collected pursuant to the Uniform Method will be dependent upon various factors, including the interest rate which can be earned by ownership of such certificates and the value of the land which is the subject of such certificates and which may be subject to sale at the demand of the certificate holder after two (2) years. Similarly, the ability of the District to enforce collection of delinquent Series 2024 Assessments collected directly by the District will be dependent upon various factors, including the delay inherent in any judicial proceeding to enforce the lien of the Series 2024 Assessments and the value of the land which is the subject of such proceedings and which may be subject to sale. If the District should commence a foreclosure action against a landowner for nonpayment of Series 2024 Assessments which are not being collected pursuant to the Uniform Method and that are delinquent, such landowners may raise affirmative defenses to such foreclosure action, which although such affirmative defenses would likely be proven to be without merit, could result in delays in completing the foreclosure action.

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

In the event of a default by a landowner in payment of Series 2024 Assessments that are not collected pursuant to the Uniform Method, the District is required under the Indenture to fund the costs of foreclosure of such delinquent Series 2024 Assessments. It is possible that the District will not have sufficient funds and will be compelled to request the Owners of the Series 2024 Bonds to allow funds on deposit under the Indenture to be used to pay such costs. Under the Internal Revenue Code of 1986, as amended (the "Code"), there are limitations on the amount of Series 2024 Bond proceeds that can be used for such purpose. As a result, there may be insufficient funds for the exercise of remedies.

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

The assessment of the benefits to be received by the benefited land within the Series 2024 Assessment Area as a result of implementation and development of the Series 2024 Project is not indicative of the realizable or market value of the land, which value may actually be higher or lower than the assessment of benefits. In other words, the value of the land could potentially be ultimately less than the debt secured by the Series 2024 Assessments associated with it. To the extent that the realizable or market value of the land benefited by the Series 2024 Project is lower than the assessment of benefits, the ability of the Tax Collector to sell tax certificates relating to such land, or the District to realize sufficient value from a foreclosure action, may be adversely affected. Such adverse effect could render the District unable to collect delinquent Series 2024 Assessments, if any, and provided such delinquencies are significant, could negatively impact the ability of the District to make the full or punctual payment of Debt Service on the Series 2024 Bonds.



## **Landowner Challenge of Assessed Valuation**

Under Florida law, a landowner may contest the assessed valuation determined for its property that forms the basis of ad-valorem taxes such landowner must pay. During this contest period, the sale of a tax certificate under the Uniform Method will be suspended. If the Series 2024 Assessments are being collected along with ad valorem taxes pursuant to the Uniform Method, tax certificates will not be sold with respect to such Series 2024 Assessment, even though the landowner is not contesting the amount of the Series 2024 Assessment. However, Section 194.014, Florida Statutes, requires taxpayers challenging the assessed value of their property to pay all non-ad valorem assessments and at least seventy-five percent (75%) of their ad valorem taxes before they become delinquent. Likewise, taxpayers who challenge the denial of an exemption or classification, or a determination that their improvements were substantially complete, must pay all non-ad valorem assessments and the amount of ad valorem taxes that they admit in good faith to be owing. If a taxpayer fails to pay property taxes as set forth above, the Value Adjustment Board considering the taxpayer's challenge is required to deny such petition by written decision by April 20 of such year.

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

The District is required to comply with statutory procedures in levying the Series 2024 Assessments. Failure of the District to follow these procedures could result in the Series 2024 Assessments not being levied or potential future challenges to such levy.

## **Other Taxes and Assessments**

The willingness and/or ability of a landowner within the District to pay the Series 2024 Assessments could be affected by the existence of other taxes and assessments imposed upon the property. Public entities whose boundaries overlap those of the District, such as the County, the Hillsborough County School District and other special districts could, without the consent of the owners of the land within the District, impose additional taxes or assessments on the property within the District. County, municipal, school and special district taxes and assessments, including the Series 2024 Assessments, and any additional voter-approved ad valorem taxes, are payable at the same time when collected pursuant to the Uniform Method, except for partial payment schedules as may be provided by Sections 197.374 and 197.222, Florida Statutes. Partial payments made pursuant to Sections 197.374 and 197.222, Florida Statutes, are distributed in equal proportion to all taxing districts and levying authorities applicable to that account. If a taxpayer does not make complete payment, such taxpayer cannot designate specific line items on the tax bill as deemed paid in full. Therefore, any failure by a landowner to pay any one line item, whether or not it is the Series 2024 Assessments, would result in such landowner's Series 2024 Assessments to not be fully collected, which could have a significant adverse impact on the District's ability to make full or punctual payment of Debt Service on the Series 2024 Bonds.

As referenced herein, the Series 2024 Assessments are levied on lands within the District that are also subject to O&M Assessments and HOA fees. See "THE SERIES 2024 ASSESSMENT AREA – Fees and Assessments" herein.

## **Limited Secondary Market**

The Series 2024 Bonds may not constitute a liquid investment, and there is no assurance that a liquid secondary market will exist for the Series 2024 Bonds in the event an Owner thereof determines to solicit purchasers of the Series 2024 Bonds. Even if a liquid secondary market exists, there can be no assurance as to the price for which the Series 2024 Bonds may be sold. Such price may be lower than that paid by the current Owners of the Series 2024 Bonds, depending on the progress of the Series 2024 Assessment Area, existing market conditions and other factors.

## **Inadequacy of Series 2024 Reserve Account**

Some of the risk factors described herein, if materialized, could result in a delay in the collection of the Series 2024 Assessments or a failure to collect the Series 2024 Assessments, but may not affect the timely payment of Debt Service on the Series 2024 Bonds because of the Series 2024 Reserve Account established by the District for the Series 2024 Bonds. However, the ability of the District to fund deficiencies caused by delinquent or delayed Series 2024 Assessments is dependent upon the amount, duration and frequency of such deficiencies or delays. If the District has difficulty in collecting the Series 2024 Assessments, the Series 2024 Reserve Account could be rapidly depleted and the ability of the District to pay Debt Service on the Series 2024 Bonds could be materially adversely affected. Owners should note that although the Indenture contains the Series 2024 Reserve Account Requirement for the Series 2024 Reserve Account, and a corresponding obligation on the part of the District to replenish the Series 2024 Reserve Account to the Series 2024 Reserve Account Requirement, the District does not have a designated revenue source for replenishing the Series 2024 Reserve Account. Moreover, the District may not be permitted to re-assess real property then burdened by the Series 2024 Assessments in order to provide for the replenishment of the Series 2024 Reserve Account.

Moneys on deposit in the Series 2024 Reserve Account may be invested in certain obligations permitted under the Indenture. Fluctuations in interest rates and other market factors could affect the amount of moneys available in the Series 2024 Reserve Account to make up deficiencies or delays in collection of Series 2024 Assessments.

## **Regulatory and Environmental Risks**

The Series 2024 Assessment Area 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 Series 2024 Assessment Area. See "WATERSET – Entitlements/Zoning" and "THE SERIES 2024 ASSESSMENT AREA – Entitlements/Permitting" herein.

The value of the land within the District, the ability to complete the Series 2024 Project or develop the Series 2024 Assessment Area, and the likelihood of timely payment

of Debt Service on the Series 2024 Bonds could be affected by environmental factors with respect to the lands in the District, such as contamination by hazardous materials. No assurance can be given that unknown hazardous materials, protected animals or vegetative species, etc., do not currently exist or may not develop in the future whether originating within the District or from surrounding property, and what effect such may have on the development of the lands within the District. 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 SERIES 2024 ASSESSMENT AREA – Environmental" herein.

### **Economic Conditions**

The proposed Series 2024 Assessment Area may be affected by changes in general economic conditions, fluctuations in the real estate market and other factors beyond the control of the Developer or the District. Although the Series 2024 Assessment Area is anticipated to be developed as described herein, there can be no assurance that such development will occur or be realized in the manner or schedule currently anticipated.

### **Cybersecurity**

The District relies on a technological environment to conduct its operations. The District, its agents and other third parties the District does business with or otherwise relies upon are subject to cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. Entities or individuals may attempt to gain unauthorized access to such parties' digital systems for the purposes of misappropriating assets or information or causing operational disruption and damage. No assurance can be given that any such attack(s) will not materially impact the operations or finances of the District, which could impact the timely payment of Debt Service on the Series 2024 Bonds.

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

The COVID-19 pandemic severely impacted global financial markets, unemployment levels and commerce generally. It is possible that, in the future, the spread of epidemic or pandemic diseases and/or government health and public safety restrictions imposed in response thereto could adversely impact the District, the Developer, the timely and successful completion of the Series 2024 Assessment Area, and the construction and sale to purchasers of residential units therein. Such impacts could include delays in obtaining development approvals, construction delays, supply chain delays, or increased costs.

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

The value of the lands subject to the Series 2024 Assessments could be adversely affected by flooding or wind damage caused by hurricanes, tropical storms, or other catastrophic events. In addition to potential damage or destruction to any existing development or construction in or near the District, such catastrophic events could potentially render the lands within the District unable to support the construction of the Series 2024 Project or the CIP. The occurrence of any such events could materially adversely affect the District's ability to collect Series 2024 Assessments and pay Debt

Service on the Series 2024 Bonds. The Series 2024 Bonds are not insured and the District's casualty insurance policies do not insure against losses incurred on private lands within its boundaries.

### **Change in Development Plans**

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

### **Completion of Series 2024 Project**

The Series 2024 Bond proceeds will not be sufficient to finance the completion of the Series 2024 Project. The portions of the Series 2024 Project not funded with proceeds of the Series 2024 Bonds are expected to be funded with contributions from the Developer. There is no assurance that the Developer will be able to pay for the cost of any of these improvements. Upon issuance of the Series 2024 Bonds, the Developer will enter into the Completion Agreement with respect to any portions of the Series 2024 Project not funded with the proceeds of the Series 2024 Bonds. Such obligation of the Developer is an unsecured obligation. See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2024 BONDS – Completion Agreement" and "THE CAPITAL IMPROVEMENT PROGRAM AND THE SERIES 2024 PROJECT" herein.

Undeveloped or partially developed land is inherently less valuable than developed land and provides less security to the Owners of the Series 2024 Bonds should it be necessary to institute proceedings due to the nonpayment of the Series 2024 Assessments. Failure to complete or substantial delays in the completion of the Series 2024 Project or the CIP due to litigation or other causes may reduce the value of the lands in the District and increase the length of time during which Series 2024 Assessments will be payable from undeveloped property and may affect the willingness and ability of the landowners to pay the Series 2024 Assessments when due and likewise the ability of the District to make full or punctual payment of Debt Service on the Series 2024 Bonds.

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

In connection with a foreclosure of lien of assessments prior to completion of a development, the Circuit Court in and for Lake County, Florida concluded that a community development district had no right, title or interest in any permits and approvals owned by the owner of the parcels so foreclosed. As discussed herein, the District and the Developer will enter into the Collateral Assignment upon issuance of the Series 2024 Bonds in which the Developer collaterally assigns to the District certain of their development and contract rights relating to the Series 2024 Project. Notwithstanding the foregoing, in the event that the District forecloses on the property subject to the lien of the Series 2024 Assessments to enforce payment thereof, the District may not have the right, title or interest in the permits and approvals owned by the Developer and failure to obtain any such permits or approvals in a timely manner could delay or adversely affect the completion of the Series 2024 Assessment Area. See "SECURITY FOR AND SOURCE OF PAYMENT

OF THE SERIES 2024 BONDS – Agreement for Assignment of Development Rights" herein.

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

The interest rates borne by the Series 2024 Bonds are, in general, higher than interest rates borne by other bonds of political subdivisions that do not involve the same degree of risk as investment in the Series 2024 Bonds. These higher interest rates are intended to compensate investors in the Series 2024 Bonds for the risk inherent in the purchase of the Series 2024 Bonds. However, such higher interest rates, in and of themselves, increase the amount of Series 2024 Assessments that the District must levy in order to provide for payment of Debt Service on the Series 2024 Bonds and, in turn, may increase the burden of landowners within the District, thereby possibly increasing the likelihood of non-payment or delinquency in payment of such Series 2024 Assessments.

The Indenture does not contain an adjustment of the interest rates on the Series 2024 Bonds in the event of a determination of taxability of the interest thereon. Such a change could occur as a result of the District's failure to comply with tax covenants contained in the Indenture or the tax certificate executed by the District upon issuance of the Series 2024 Bonds or due to a change in the United States income tax laws. Should interest on the Series 2024 Bonds become includable in gross income for federal income tax purposes, Owners of the Series 2024 Bonds will be required to pay income taxes on the interest received on such Series 2024 Bonds and related penalties. Because the interest rates on such Series 2024 Bonds will not be adequate to compensate Owners of the Series 2024 Bonds for the income taxes due on such interest, the value of the Series 2024 Bonds may decline. Prospective purchasers of the Series 2024 Bonds should evaluate whether they can own the Series 2024 Bonds in the event that the interest on the Series 2024 Bonds becomes taxable and/or the District is ever determined to not be a political subdivision for purposes of the Code and/or Securities Act.

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

The Internal Revenue Service (the "IRS") routinely examines bonds issued by state and local governments, including bonds issued by community development districts. In 2016, the IRS concluded its lengthy examination of certain issues of bonds (for purposes of this paragraph, the "Audited Bonds") issued by Village Center Community Development District ("Village Center CDD"). During the course of the audit of the Audited Bonds, Village Center CDD received a ruling dated May 30, 2013, in the form of a non-precedential technical advice memorandum ("TAM") concluding that Village Center CDD is not a political subdivision for purposes of Section 103(a) of the Code because Village Center CDD was organized and operated to perpetuate private control and avoid indefinitely responsibility to an electorate, either directly or through another elected state or local governmental body. Such a conclusion could lead to the further conclusion that the interest on the Audited Bonds was not excludable from gross income of the owners of such bonds for federal income tax purposes. Village Center CDD received a second TAM dated June 17, 2015, which granted relief to Village Center CDD from retroactive application of the IRS's conclusion regarding its failure to qualify as a political subdivision. Prior to the conclusion of the audits, the Audited Bonds were all refunded with taxable bonds. The audit of the Audited Bonds that were issued for utility improvements was closed without change to the

tax-exempt status of those Audited Bonds on April 25, 2016, and the audit of the remainder of the Audited Bonds (which funded recreational amenity acquisitions from entities related to the principal landowner in Village Center CDD) was closed on July 14, 2016, without the IRS making a final determination that the interest on the Audited Bonds in question was required to be included in gross income. However, the IRS letter to Village Center CDD with respect to this second set of Audited Bonds noted that the IRS found that Village Center CDD was not a "proper issuer of tax-exempt bonds" and that those Audited Bonds were private-activity bonds that did not fall in any of the categories that qualify for tax-exemption. Although the TAMs and the letters to Village Center CDD from the IRS referred to above are addressed to, and binding only on, the IRS and Village Center CDD in connection with the Audited Bonds, they reflect the audit position of the IRS, and there can be no assurance that the IRS would not commence additional audits of bonds issued by other community development districts raising issues similar to the issues raised in the case of the Audited Bonds based on the analysis set forth in the first TAM or on the related concerns addressed in the July 14, 2016 letter to Village Center CDD.

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

It has been reported that the IRS has closed audits of other community development districts in the State with no change to such districts' bonds' tax-exempt status, but has advised such districts that such districts must have public electors within the timeframe established by 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 (6) years or when there are 250 qualified electors in the District. The District, unlike Village Center CDD, was formed with the intent that it will contain a sufficient number of residents to allow for a transition to control by a general electorate. Currently, all members of the Board were elected by the landowners in the District and none were elected by qualified electors. Although it is impossible to predict whether the IRS will select the Series 2024 Bonds for audit, the District has no reason to believe that any such audit will be commenced, or that any such audit, if commenced, would result in a conclusion of noncompliance with any applicable State or federal law.

Owners of the Series 2024 Bonds are advised that, if the IRS does audit the Series 2024 Bonds, under its current procedures, at least during the early stages of an audit, the IRS will treat the District as the taxpayer, and the Owners of the Series 2024 Bonds may have limited rights to participate in those proceedings. The commencement of such an audit could adversely affect the market value and liquidity of the Series 2024 Bonds until the audit is concluded, regardless of the ultimate outcome. In addition, in the event of an adverse determination by the IRS with respect to the tax-exempt status of interest on the Series 2024 Bonds, it is unlikely the District will have available revenues to enable it to contest such determination or enter into a voluntary financial settlement with the IRS. Further, an adverse determination by the IRS with respect to the tax-exempt status of interest on the Series 2024 Bonds would adversely affect the availability of any secondary market for the Series 2024 Bonds. Should interest on the Series 2024 Bonds become includable in gross income for federal income tax purposes, not only will Owners of Series 2024 Bonds be required to pay income taxes on the interest received on such Series 2024 Bonds and related penalties, but because the interest rates on such Series 2024 Bonds will not be adequate to compensate Owners of the Series 2024 Bonds for the income taxes due on such interest, the value of the Series 2024 Bonds may decline. See also "TAX MATTERS" herein.

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

During recent years, legislative proposals have been introduced in Congress, and in some cases enacted, that altered certain federal tax consequences resulting from the ownership of obligations that are similar to the Series 2024 Bonds. In some cases, these proposals have contained provisions that altered these consequences on a retroactive basis. Such alteration of federal tax consequences may have affected the market value of obligations similar to the Series 2024 Bonds. From time to time, legislative proposals are pending which could have an effect on both the federal tax consequences resulting from ownership of the Series 2024 Bonds and their market value. No assurance can be given that legislative proposals will not be enacted that would apply to, or have an adverse effect upon, the Series 2024 Bonds. For example, in connection with federal deficit reduction, job creation and tax law reform efforts, proposals have been made and others are likely to be made that could significantly reduce the benefit of, or otherwise affect, the exclusion from gross income of interest on obligations like the Series 2024 Bonds. There can be no assurance that any such legislation or proposal will be enacted and, if enacted, what form it may take. The introduction or enactment of any such legislative proposals may affect, perhaps significantly, the market price for or marketability of the Series 2024 Bonds.

It is impossible to predict what new proposals may be presented regarding ad valorem tax reform and/or community development districts during upcoming State legislative sessions, whether such new proposals or any previous proposals regarding the same will be adopted by the Florida Senate and House of Representatives and signed by the Governor, and, if adopted, the form thereof. It is impossible to predict with certainty the impact that any existing or future legislation will or may have on the security for the Series 2024 Bonds. It should be noted that Section 190.016(14) of the Act provides in pertinent part that "the state pledges to the holders of any bonds issued under the Act that it will not limit or alter the rights of the district to levy and collect the assessments and to fulfill the terms of any agreement made with the holders of such bonds and that it will not impair the rights or remedies of such holders."

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

Since the Series 2024 Bonds have not been, and will not be, registered under the Securities Act or any state securities laws, pursuant to the exemption for political subdivisions, and regardless of any potential IRS determination that the District is not a political subdivision for purposes of the Code, it is possible that federal or state regulatory authorities could independently determine that the District is not a political subdivision for purposes of federal and state securities laws. Accordingly, the District and purchasers of the Series 2024 Bonds may not be able to rely on the exemption from registration relating to securities issued by political subdivisions. In that event, the Owners of the Series 2024 Bonds would need to ensure that subsequent transfers of the Series 2024 Bonds are made pursuant to a transaction that is not subject to the registration requirements of the Securities Act.

## **Prepayment and Redemption Risk**

The Series 2024 Bonds are subject to extraordinary mandatory redemption as a result of Prepayments of the Series 2024 Assessments by the Developer or subsequent owners of property within the District. Any such redemptions of the Series 2024 Bonds would be at the principal amount of such Series 2024 Bonds being redeemed plus accrued interest to the date of redemption. In such event, Owners of the Series 2024 Bonds may not realize their anticipated rate of return on the Series 2024 Bonds and Owners of any Premium Bonds (hereinafter defined) may receive less than the price they paid for the Series 2024 Bonds. See "DESCRIPTION OF THE SERIES 2024 BONDS – Redemption Provisions" herein.

## **Performance of District Professionals**

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

## **Existing Mortgage and Mortgagee Acknowledgement**

As further described under "THE SERIES 2024 ASSESSMENT AREA – Land Acquisition and Development Financing," there are existing mortgages (as previously defined, the "NASH Mortgages") that burden the lands in the District owned by the Developer in favor of NASH Financing, LLC (as previously defined, the "Development Lender"). Although the Series 2024 Assessments are considered to be superior to the lien of a conventional mortgage by operation of law, it is not unusual for mortgagees to raise defenses during a foreclosure action to protect their security interests, and similarly situated mortgagees have, in fact, raised defenses in the past in the context of a community development district foreclosing on a delinquent assessment lien (the "Mortgagee Defenses"). Such Mortgagee Defenses could affect the timing and/or outcome of an action by the District to foreclose on delinquent Series 2024 Assessments. In addition, the Development Lender may have certain intangible rights assigned to them under the terms



of the Construction Loan Agreement which are superior to such intangible rights that might otherwise be assigned to the District under the terms of the Collateral Assignment. Upon issuance of the Series 2024 Bonds, the Development Lender will enter into a Tri-Party Agreement Relating to Acknowledgment of Jurisdiction, Imposition of Special Assessments, and Subordination of Interests pursuant to which the Development Lender will acknowledge that the lien of the Series 2024 Assessments is superior to the lien of the NASH Mortgages.

**No Rating or Credit Enhancement**

No application for a rating or credit enhancement on the Series 2024 Bonds has been made, nor is there any reason to believe that the District would have been successful in obtaining either for the Series 2024 Bonds had application been made.

**Mortgage Default and FDIC**

In the event a bank forecloses on property in the District because of a default on a mortgage with respect thereto and then the bank itself fails, the Federal Deposit Insurance Corporation (the "FDIC"), as receiver, will then become the fee owner of such property. In such event, the FDIC will not, pursuant to its own rules and regulations, likely be liable to pay the Series 2024 Assessments. In addition, the District would be required to obtain the consent of the FDIC prior to commencing a foreclosure action on such property for failure to pay Series 2024 Assessments.

**ESTIMATED SOURCES AND USES OF BOND PROCEEDS**

**Sources of Funds**

Par Amount of Series 2024 Bonds	
Less/Plus Original Issue Discount/Premium	_____
<b>Total Sources</b>	<b>_____</b>

**Uses of Funds**

Deposit to Series 2024 Acquisition and Construction Account	
Deposit to Series 2024 Reserve Account	
Deposit to Series 2024 Capitalized Interest Account <sup>(1)</sup>	
Deposit to Series 2024 Costs of Issuance Account <sup>(2)</sup>	
Underwriter's Discount	_____
<b>Total Uses</b>	<b>_____</b>

<sup>(1)</sup> Represents capitalized interest on the Series 2024 Bonds through November 1, 2024.  
<sup>(2)</sup> Costs of issuance include, without limitation, legal fees and other costs associated with the issuance of the Series 2024 Bonds.

## DEBT SERVICE REQUIREMENTS

The following table sets forth the scheduled Debt Service on the Series 2024 Bonds:

Period Ending November 1 <sup>st</sup>	Principal	Interest	Total Debt Service
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**Total**

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## TAX MATTERS

### General

The Code establishes certain requirements which must be met subsequent to the issuance of the Series 2024 Bonds in order that interest on the Series 2024 Bonds be and remain excluded from gross income for purposes of federal income taxation. Non-compliance may cause interest on the Series 2024 Bonds to be included in federal gross income retroactive to the date of issuance of the Series 2024 Bonds, regardless of the date on which such non-compliance occurs or is ascertained. These requirements include, but are not limited to, provisions which prescribe yield and other limits within which the proceeds of the Series 2024 Bonds and the other amounts are to be invested and require that certain investment earnings on the foregoing must be rebated on a periodic basis to the Treasury Department of the United States. The District has covenanted in the Indenture with respect to the Series 2024 Bonds to comply with such requirements in order to maintain the exclusion from federal gross income of the interest on the Series 2024 Bonds.

In the opinion of Bond Counsel, assuming compliance with certain covenants, under existing laws, regulations, judicial decisions and rulings, interest on the Series 2024 Bonds is excluded from gross income for purposes of federal income taxation. Interest on the Series 2024 Bonds is not an item of tax preference for purposes of the federal alternative minimum tax; however[, for tax years beginning after December 31, 2022,] interest on the Series 2024 Bonds may be included in the "adjusted financial statement income" of certain "applicable corporations" that are subject to the 15-percent alternative minimum tax under Section 55 of the Code.

Except as described above, Bond Counsel will express no opinion regarding other federal income tax consequences resulting from the ownership of, receipt or accrual of interest on, or disposition of Series 2024 Bonds. Prospective purchasers of Series 2024 Bonds should be aware that the ownership of Series 2024 Bonds may result in collateral federal income tax consequences, including (i) the denial of a deduction for interest on indebtedness incurred or continued to purchase or carry Series 2024 Bonds; (ii) the reduction of the loss reserve deduction for property and casualty insurance companies by fifteen percent (15%) of certain items, including interest on Series 2024 Bonds; (iii) the inclusion of interest on Series 2024 Bonds in earnings of certain foreign corporations doing business in the United States for purposes of the branch profits tax; (iv) the inclusion of interest on Series 2024 Bonds in passive income subject to federal income taxation of certain Subchapter S corporations with Subchapter C earnings and profits at the close of the taxable year; and (v) the inclusion of interest on Series 2024 Bonds in "modified adjusted gross income" by recipients of certain Social Security and Railroad Retirement benefits for the purposes of determining whether such benefits are included in gross income for federal income tax purposes.

As to questions of fact material to the opinion of Bond Counsel, Bond Counsel will rely upon representations and covenants made on behalf of the District, certificates of appropriate officers and certificates of public officials (including certifications as to the use of proceeds of the Series 2024 Bonds and of the property financed or refinanced thereby), without undertaking to verify the same by independent investigation.

PURCHASE, OWNERSHIP, SALE OR DISPOSITION OF THE SERIES 2024 BONDS AND THE RECEIPT OR ACCRUAL OF THE INTEREST THEREON MAY HAVE ADVERSE FEDERAL TAX CONSEQUENCES FOR CERTAIN INDIVIDUAL AND CORPORATE BONDOWNERS, INCLUDING, BUT NOT LIMITED TO, THE CONSEQUENCES DESCRIBED ABOVE. PROSPECTIVE BONDOWNERS SHOULD CONSULT WITH THEIR TAX SPECIALISTS FOR INFORMATION IN THAT REGARD.

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

Interest paid on tax-exempt bonds such as the Series 2024 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 2024 Bonds from gross income for federal income tax purposes. However, in conjunction with that information reporting requirement, the Code subjects certain non-corporate owners of Series 2024 Bonds, under certain circumstances, to "backup withholding" at the rate specified in the Code with respect to payments on the Series 2024 Bonds and proceeds from the sale of Series 2024 Bonds. Any amount so withheld would be refunded or allowed as a credit against the federal income tax of such owner of Series 2024 Bonds. This withholding generally applies if the owner of Series 2024 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 2024 Bonds may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

### **Other Tax Matters Relating to the Series 2024 Bonds**

During recent years, legislative proposals have been introduced in Congress, and in some cases enacted, that altered certain federal tax consequences resulting from the ownership of obligations that are similar to the Series 2024 Bonds. In some cases, these proposals have contained provisions that altered these consequences on a retroactive basis. Such alteration of federal tax consequences may have affected the market value of obligations similar to the Series 2024 Bonds. From time to time, legislative proposals are pending which could have an effect on both the federal tax consequences resulting from ownership of the Series 2024 Bonds and their market value. No assurance can be given that legislative proposals will not be enacted that would apply to, or have an adverse effect upon, the Series 2024 Bonds.

Prospective purchasers of the Series 2024 Bonds should consult their own tax advisors as to the tax consequences of owning the Series 2024 Bonds in their particular state or local jurisdiction and regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

On February 22, 2016, the Internal Revenue Service (the "IRS") issued a notice of proposed rulemaking containing proposed regulations (the "Proposed Regulations") that provide guidance as to the definition of a political subdivision for purposes of the rules for

tax-exempt bonds. If adopted, the Proposed Regulations would have affected certain State and local governments that issue tax-exempt bonds, including community development districts such as the District. However, on July 24, 2017, in response to Executive Order 13789 issued by President Trump (the "Executive Order"), the Secretary of the Treasury (the "Secretary") identified the Proposed Regulations among a list of eight regulations that (i) impose an undue financial burden on U.S. taxpayers, (ii) add undue complexity to the federal tax laws, or (iii) exceed the statutory authority of the IRS. On October 2, 2017, in his Second Report to the President on Identifying and Reducing Tax Regulatory Burdens, the Secretary reported that Treasury and the IRS believe that the Proposed Regulations should be withdrawn in their entirety, and the Treasury Department and the IRS withdrew the Proposed Regulations on October 20, 2017. The Secretary further provided that Treasury and the IRS will continue to study the legal issues relating to political subdivisions and may propose more targeted guidance in the future.

Because the Proposed Regulations have been withdrawn, it is not possible to determine the extent to which all or a portion of the discussion herein regarding the Villages and the Villages TAM (each as defined below) may continue to be applicable in the absence of further guidance from the IRS. Bond Counsel will render its opinion regarding the exclusion from gross income of interest on the Series 2024 Bonds as described below.

On May 30, 2013, the IRS delivered to Village Center CDD, a Florida special district established under Chapter 190, Florida Statutes, a private ruling, called a technical advice memorandum (the "Villages TAM"), in connection with the examination by the IRS of bonds issued by the Village Center CDD (the "Audited Bonds"). The Villages TAM concluded that, despite having certain eminent domain powers, the Village Center CDD is not a political subdivision permitted to issue tax-exempt bonds based on a number of facts including that its governing board is elected by a small group of landowners, and that it "was organized and operated to perpetuate private control and avoid indefinitely responsibility to a public electorate, either directly or through another elected state or local governmental body."

The Villages TAM, as a private, non-precedential, ruling, binds only the IRS and the Village Center CDD, and only in connection with the Audited Bonds. Moreover, the cited legal basis for the Villages TAM is extremely limited, and, therefore, the value of the Villages TAM as guidance is also limited. Nonetheless, the breadth and force of the language used in the Villages TAM may reflect the disfavor of the IRS toward governmental entities with governing boards elected by landowners, and this position may lead the enforcement branch of the IRS to select bonds of other issuers with landowner-controlled boards for examination.

In July 2016, the IRS closed the examination of the Audited Bonds with no change to their tax-exempt status. Although the audit was closed with no adverse impact on the Audited Bonds, the IRS's motivations and rationale for closing the examination are unknown. The Village Center CDD refunded the Audited Bonds with taxable bonds in 2014.

Like the board of the Village Center CDD, the Board of Supervisors of the District is necessarily elected by the landowners in the District since there are not yet enough qualified electors residing in the District to transition the Board of Supervisors to a resident-elected Board of Supervisors. The Act, which contains the uniform statutory

charter for all community development districts and by which the District is governed, delegates to the District certain traditional sovereign powers including, but not limited to, eminent domain, ad valorem taxation and regulatory authority over rates, fees and charges for district facilities. On the basis of the Act and certain representations by the District forming a part of the District's tax certificate as to its reasonable expectations of transition to a resident-elected Board of Supervisors, it does not appear from the facts and circumstances that the District was organized to avoid indefinitely responsibility to a public electorate. On the basis of the foregoing and other factors, Bond Counsel has concluded that under current law the District is a political subdivision for purposes of Section 103 of the Code, notwithstanding that its Board of Supervisors is temporarily elected by landowners. Bond counsel intends to deliver its unqualified approving opinion in the form attached hereto as "APPENDIX D – FORM OF OPINION OF BOND COUNSEL."

The release of the Villages TAM may cause an increased risk of examination of the Series 2024 Bonds. Owners of the Series 2024 Bonds are advised that if the IRS does audit the Series 2024 Bonds, under its current procedures, at least during the early stages of an audit, the IRS will treat the District as the taxpayer, and the owners of the Series 2024 Bonds may have limited rights to participate in such procedure. The Indenture does not provide for any adjustment to the interest rates borne by the Series 2024 Bonds in the event of a change in the tax-exempt status of the Series 2024 Bonds. The commencement of an audit or an adverse determination by the IRS with respect to the tax-exempt status of interest on the Series 2024 Bonds could adversely impact both liquidity and pricing of the Series 2024 Bonds in the secondary market.

### **Tax Treatment of Original Issue Discount**

Under the Code, the difference between the maturity amount of the Series 2024 Bonds maturing on \_\_\_\_\_ 1, 20\_\_ through and including \_\_\_\_\_ 1, 20\_\_ (collectively, 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." Original issue discount will accrue over the term of the Discount Bonds at a constant interest rate compounded periodically. 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, 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. Bondowners 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 Bond.

## **Tax Treatment of Bond Premium**

The difference between the principal amount of the Series 2024 Bonds maturing on \_\_\_\_\_ (collectively, the "Premium 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 such Premium Bonds of the same maturity, and, if applicable, interest rate, was sold constitutes to an initial purchaser amortizable bond premium which is not deductible from gross income for federal income tax purposes. The amount of amortizable bond premium for a taxable year is determined actuarially on a constant interest rate basis over the term of each of the Premium Bonds, which ends on the earlier of the maturity or call date for each of the Premium Bonds which minimizes the yield on such Premium Bonds to the purchaser. For purposes of determining gain or loss on the sale or other disposition of a Premium Bond, an initial purchaser who acquires such obligation in the initial offering is required to decrease such purchaser's adjusted basis in such Premium Bond annually by the amount of amortizable bond premium for the taxable year. The amortization of bond premium may be taken into account as a reduction in the amount of tax-exempt income for purposes of determining various other tax consequences of owning such Premium Bonds. Bondholders of the Premium Bonds are advised that they should consult with their own tax advisors with respect to the state and local tax consequences of owning such Premium Bonds.

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

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

## **VALIDATION**

The Series 2024 Bonds are a portion of the Bonds that were validated by a Final Judgment of the Circuit Court of the Thirteenth Judicial Circuit of Florida, in and for Hillsborough County, Florida, entered on October 31, 2022. The period during which an appeal can be taken has expired.

## **LITIGATION**

### **District**

There is no pending or, to the knowledge of the District, any threatened litigation against the District of any nature whatsoever which in any way questions or affects the validity of the Series 2024 Bonds, or any proceedings or transactions relating to their issuance, sale, execution, or delivery, or the execution of the Indenture. Neither the creation, organization nor existence of the District, nor the title of the present members of the Board has been challenged.

From time to time, the District expects to experience routine litigation and claims incidental to the conduct of its affairs. In the opinion of District Counsel, there are no actions presently pending or threatened, the adverse outcome of which would have a material adverse effect on the availability of the Series 2024 Trust Estate or the ability of the District to pay the Series 2024 Bonds from the Series 2024 Trust Estate.

## **Developer**

In connection with the issuance of the Series 2024 Bonds, the Developer will represent to the District that there is no litigation of any nature now pending or, to the knowledge of the Developer, threatened, which could reasonably be expected to have a material and adverse effect upon the ability of the Developer to complete the Series 2024 Assessment Area as described herein or materially and adversely affect the ability of the Developer to perform its obligations described in this Limited Offering Memorandum.

## **CONTINUING DISCLOSURE**

### **General**

In order to comply with the continuing disclosure requirements of Rule 15c2-12(b)(5) of the SEC (the "Rule"), the District, the Developer and Rizzetta & Company, Incorporated, as dissemination agent (the "Dissemination Agent") will enter into a Continuing Disclosure Agreement (the "Disclosure Agreement"), the form of which is attached hereto as APPENDIX E. Pursuant to the Disclosure Agreement, the District and the Developer have each covenanted for the benefit of the Owners of the Series 2024 Bonds to provide to the Dissemination Agent certain financial information and operating data relating to the District, the Series 2024 Assessment Area and the Series 2024 Bonds (the "Reports"), and to provide notices of the occurrence of certain enumerated material events. Such covenants by the District and the Developer shall only apply so long as the Series 2024 Bonds remain Outstanding under the Indenture or so long as the District or the Developer remains an "obligated person" pursuant to the Rule.

The Reports will be filed by the Dissemination Agent with the Municipal Securities Rulemaking Board's Electronic Municipal Markets Access ("EMMA") repository described in the form of the Disclosure Agreement attached hereto as APPENDIX E. The notices of material events will also be filed by the Dissemination Agent with EMMA. The specific nature of the information to be contained in the Reports and the notices of material events are described in APPENDIX E. The Disclosure Agreement will be executed at the time of issuance of the Series 2024 Bonds. With respect to the Series 2024 Bonds, no parties other than the District and the Developer are obligated to provide, nor are expected to provide, any continuing disclosure information with respect to the Rule. The foregoing covenants have been made in order to assist the Underwriter in complying with the Rule.

### **District Continuing Compliance**

The District has previously entered into a continuing disclosure undertaking with respect to the Series 2022 Bonds (the "2022 Undertaking"). A review of filings made pursuant to the 2022 Undertaking indicates that the District has not materially failed to comply with its requirements under the 2022 Undertaking. [CONFIRM]



## **Developer Continuing Compliance**

In connection with the issuance by the Waterset North Community Development District of its Special Assessment Revenue Bonds, Series 2014, the Developer entered into a continuing disclosure undertaking as an obligated person (the "2014 Undertaking"). As of January 31, 2020, the Developer is no longer an obligated person under the 2014 Undertaking. A review of filings made pursuant to the 2014 Undertaking indicates that the Developer did not materially fail to comply with the 2014 Undertaking during the time the Developer was an obligated person under the 2014 Undertaking. Additionally, in connection with the issuance by the Waterset Central Community Development District of its Special Assessment Bonds, Series 2018, the Developer entered into a continuing disclosure undertaking as an obligated person (the "2018 Undertaking"). A review of filings made pursuant to the 2018 Undertaking indicates that the Developer failed to timely file the quarterly report for the quarter ended December 31, 2019 and failed to timely file a failure to file notice. Such filing was filed four (4) days late. Other than as set forth above, the Developer has not materially failed to comply with its requirements under the 2018 Undertaking. Finally, the Developer entered into the 2022 Undertaking as an obligated person. A review of filings made pursuant to the 2022 Undertaking indicates that the Developer has not materially failed to comply with the 2022 Undertaking to date. [CONFIRM]

## **UNDERWRITING**

The Underwriter has agreed, pursuant to a contract entered into with the District, subject to certain conditions, to purchase the Series 2024 Bonds from the District at a purchase price of \$\_\_\_\_\_ (representing the par amount of the Series 2024 Bonds of \$\_\_\_\_\_, less an Underwriter's discount of \$\_\_\_\_\_ and plus/less an original issue premium/discount of \$\_\_\_\_\_). See "ESTIMATED SOURCES AND USES OF BOND PROCEEDS" herein. The Underwriter's obligations are subject to certain conditions precedent and the Underwriter will be obligated to purchase all of the Series 2024 Bonds if any are purchased.

The Underwriter intends to offer the Series 2024 Bonds at the offering prices set forth on the cover page of this Limited Offering Memorandum, which may subsequently change without prior notice. The Underwriter may offer and sell the Series 2024 Bonds to certain dealers (including dealers depositing the Series 2024 Bonds into investment trusts) at prices lower than the initial offering prices and such initial offering prices may be changed from time to time by the Underwriter.

## **LEGALITY FOR INVESTMENT**

The Act provides that the Series 2024 Bonds are legal investments for savings banks, banks, trust companies, insurance companies, executors, administrators, trustees, guardians, and other fiduciaries, and for any board, body, agency, instrumentality, county, municipality or other political subdivision of the State, and shall be and constitute security which may be deposited by banks or trust companies as security for deposits of state, county, municipal or other public funds, or by insurance companies as required or voluntary statutory deposits.

## **LEGAL MATTERS**

The Series 2024 Bonds are offered for delivery when, as and if issued by the District and accepted by the Underwriter, subject to the receipt of the opinion of Bryant Miller Olive P.A., Orlando, Florida, Bond Counsel, as to the validity of the Series 2024 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 Developer by its counsel, Mahoney Law Group, P.A., Clearwater, Florida, for the Trustee by its counsel, Holland & Knight LLP, Miami, Florida and for the Underwriter by its counsel, Nabors, Giblin & Nickerson, P.A., Tampa, Florida.

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

## **AGREEMENT BY THE STATE**

Under the Act, the State pledges to the holders of any bonds issued thereunder, including the Series 2024 Bonds, that it will not limit or alter the rights of the issuer of such bonds to own, acquire, construct, reconstruct, improve, maintain, operate or furnish the projects subject to the Act or to levy and collect taxes, assessments, rentals, rates, fees, and other charges provided for in the Act and to fulfill the terms of any agreement made with the holders of such bonds and that it will not in any way impair the rights or remedies of such holders.

## **FINANCIAL INFORMATION**

To date, the District has not met the requirements necessary under State law to prepare audited financial statements. However, the District has covenanted in the form of Disclosure Agreement set forth in APPENDIX E attached hereto to provide its annual audited financial statements to certain information repositories as described in APPENDIX E, commencing with the audit for the District Fiscal Year ended September 30, 2023. The Series 2024 Bonds are not general obligation bonds of the District and are payable solely from the Series 2024 Trust Estate. See "CONTINUING DISCLOSURE" herein.

## **EXPERTS AND CONSULTANTS**

The references herein to Heidt Design, LLC, as Consulting Engineer, have been approved by said firm. The Engineer's Report prepared by such firm has been included as composite APPENDIX A attached hereto in reliance upon such firm as an expert in engineering. References to and excerpts herein from such Engineer's Report do not purport to be adequate summaries of the Series 2024 Project or the CIP or complete in all respects.

Such Engineer's Report is an integral part of this Limited Offering Memorandum and should be read in its entirety for complete information with respect to the subjects discussed therein.

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

### **CONTINGENT AND OTHER FEES**

The District has retained Bond Counsel, District Counsel, the Assessment Consultant, the Underwriter (who has retained Underwriter's Counsel) and the Trustee (who has retained Trustee's Counsel), with respect to the authorization, sale, execution and delivery of the Series 2024 Bonds. Except for the payment of fees to District Counsel and the Assessment Consultant, the payment of the fees of the other professionals retained by the District is each contingent upon the issuance of the Series 2024 Bonds.

### **NO RATING OR CREDIT ENHANCEMENT**

No application for a rating or credit enhancement on the Series 2024 Bonds has been made, nor is there any reason to believe that the District would have been successful in obtaining either for the Series 2024 Bonds had application been made.

### **MISCELLANEOUS**

Any statements made in this Limited Offering Memorandum involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. Neither this Limited Offering Memorandum nor any statement that may have been made verbally or in writing is to be construed as a contract with the holders of the Series 2024 Bonds.

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

The information and expression of opinion herein are subject to change without notice and neither the delivery of this Limited Offering Memorandum nor any sale made hereunder is to create, under any circumstances, any implication that there has been no change in the affairs of the District, the Developer or the Series 2024 Assessment Area from the date hereof. However, certain parties to the transaction will, on the closing date of the Series 2024 Bonds, deliver certificates to the effect that nothing has come to their attention that would lead them to believe that applicable portions of this Limited Offering Memorandum contain an untrue statement of a material fact or omit to state a material fact that should be included herein for the purpose for which this Limited Offering Memorandum is intended to be used, or that is necessary to make the statements contained herein, in light of the circumstances under which they were made, not misleading and to the effect that from the date of this Limited Offering Memorandum to the date of closing of the Series 2024 Bonds that there has been no material adverse change in the information provided.

[Remainder of Page Intentionally Left Blank]

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

**WATERSET SOUTH COMMUNITY  
DEVELOPMENT DISTRICT**

By: \_\_\_\_\_  
Name: Amanda King  
Its: Chairperson

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

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

**APPENDIX C**

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



**APPENDIX D**

**FORM OF OPINION OF BOND COUNSEL**

**APPENDIX E**

**FORM OF CONTINUING DISCLOSURE AGREEMENT**

## CONTINUING DISCLOSURE AGREEMENT

This **CONTINUING DISCLOSURE AGREEMENT** (the "**Disclosure Agreement**") dated as of [Closing Date], is executed and delivered by **WATERSET SOUTH COMMUNITY DEVELOPMENT DISTRICT** (the "**District**"), **NNP-SOUTHBEND II, LLC**, a Delaware limited liability company (the "**Developer**"), and **RIZZETTA & COMPANY, INCORPORATED** (the "**Dissemination Agent**") in connection with the issuance by the District of its \$[Bond Amount] Special Assessment Revenue Bonds, Series 2024 (the "**Bonds**"). The Bonds are being issued pursuant to a Master Trust Indenture, dated as of December 1, 2022, as supplemented by a Second Supplemental Trust Indenture, dated as of February 1, 2024 (together, the "**Indenture**"), each between the District and U.S. Bank Trust Company, National Association, as trustee (the "**Trustee**"). The District, the Developer and the Dissemination Agent covenant and agree as follows:

**1. Purpose of the Disclosure Agreement.** This Disclosure Agreement is being executed and delivered by the District, the Developer and the Dissemination Agent for the benefit of the Beneficial Owners (hereinafter defined) of the Bonds, from time to time, and to assist the Participating Underwriter (hereinafter defined) in complying with the applicable provisions of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission ("**SEC**") pursuant to the Securities Exchange Act of 1934, as amended from time to time (the "**Rule**").

The District, the Developer and the Dissemination Agent have no reason to believe that this Disclosure Agreement does not satisfy the requirements of the Rule and the execution and delivery of this Disclosure Agreement is intended to comply with the Rule. To the extent it is later determined by a court of competent jurisdiction or a governmental regulatory agency that the Rule requires the District, the Developer or the Dissemination Agent (as the case may be) to provide additional information, the District, the Developer and the Dissemination Agent, as applicable, agree to promptly provide such additional information.

The provisions of this Disclosure Agreement are supplemental and in addition to the provisions of the Indenture with respect to reports, filings and notifications provided for therein, and do not in any way relieve the District, the Trustee, or any other person of any covenant, agreement or obligation under the Indenture (or remove any of the benefits thereof) nor shall anything herein prohibit the District, the Trustee or any other person from making any reports, filings or notifications required by the Indenture or any applicable law.

**2. Definitions.** In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined herein, the following capitalized terms shall have the following meanings:

**"Annual Filing Date"** shall mean the date set forth in Section 4(a) hereof by which the Annual Report is to be filed with the Repository.

**"Annual Financial Information"** shall mean annual financial information as such term is used in paragraph (b)(5)(i)(A) of the Rule and specified in Section 3(a) hereof.

**"Annual Report"** shall mean any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4 hereof.

**"Assessments"** shall mean the non-ad valorem special assessments pledged to the payment of the Bonds pursuant to the Indenture.

**"Audited Financial Statements"** shall mean the financial statements (if any) of the District for the applicable Fiscal Year, certified by an independent auditor as prepared in accordance with generally accepted accounting principles or otherwise, as such term is used in paragraph (b)(5)(i)(B) of the Rule and specified in Section 3(a) hereof.

**"Audited Financial Statements Filing Date"** shall mean the date under State law by which a unit of local government must file its Audited Financial Statements with the State, which as of the date hereof is nine (9) months after the end of the Fiscal Year of such unit of local government, including the District.

**"Beneficial Owner"** shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bond for federal income tax purposes.

**"Business Day"** shall mean a day other than (a) a Saturday, Sunday or day on which banks located in the city in which the designated corporate trust office of the Trustee and Paying Agent is located are required or authorized by law or executive order to close for business, and (b) a day on which the New York Stock Exchange is closed.

**"Disclosure Representative"** shall mean (a) as to the District, the District Manager or its designee, or such other person as the District shall designate in writing to the Trustee and the Dissemination Agent from time to time as the person responsible for providing information to the Dissemination Agent, (b) as to the Developer, the individual(s) executing this Disclosure Agreement on behalf of the Developer or such person(s) as the Developer shall designate in writing to the Trustee and the Dissemination Agent from time to time as the person(s) responsible for providing information to the Dissemination Agent, and (c) as to any Obligated Person other than the Developer, such person(s) as the Obligated Person shall designate in writing to the Trustee and the Dissemination Agent from time to time as the person(s) responsible for providing information to the Dissemination Agent.

**"Dissemination Agent"** shall mean the District or an entity appointed by the District to act in the capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the District pursuant to Section 10 hereof. Rizzetta & Company, Incorporated, has been designated as the initial Dissemination Agent hereunder.

**"District Manager"** shall mean the person or entity serving as District Manager from time to time. As of the date hereof, Rizzetta & Company, Incorporated, is the District Manager.

**"EMMA"** shall mean the Electronic Municipal Market Access system as described in 1934 Act Release No. 59062 and maintained by the MSRB for purposes of the Rule.

**"Event of Bankruptcy"** shall be considered to have occurred when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person.

**"Financial Obligation"** shall mean (a) a debt obligation, (b) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (c) a guarantee of either (a) or (b). The term Financial Obligation does not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

**"Fiscal Year"** shall mean the fiscal year of the District, which is the period commencing on October 1 and ending on September 30 of the next succeeding year, or such other period of time provided by applicable law.

**"Limited Offering Memorandum"** shall mean the Limited Offering Memorandum dated [BPA Date], prepared in connection with the issuance of the Bonds.

**"Listed Event"** shall mean any of the events listed in Section 7(a) hereof.

**"MSRB"** shall mean the Municipal Securities Rulemaking Board.

**"MSRB Website"** shall mean [www.emma.msrb.org](http://www.emma.msrb.org).

**"Obligated Person(s)"** shall mean, with respect to the Bonds, those person(s) who either generally or through an enterprise fund or account of such persons are committed by contract or other arrangement to support payment of twenty percent (20%) or more of the obligations on the Bonds (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities), which person(s) shall include the District and the Developer.

**"Owners"** shall have the meaning ascribed thereto in the Indenture with respect to the Bonds and shall include Beneficial Owners of the Bonds.

**"Participating Underwriter"** shall mean MBS Capital Markets, LLC, in its capacity as the original underwriter of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

**"Quarterly Filing Date"** shall mean the dates set forth in Section 6(a) hereof by which Quarterly Reports are required to be filed with the Repository.

**"Quarterly Report"** shall mean any Quarterly Report provided by the Developer or any Obligated Person, its successors or assigns pursuant to, and as described in, Sections 5 and 6 hereof.

**"Repository"** shall mean each entity authorized and approved by the SEC from time to time to act as a repository for purposes of complying with the Rule. The Repositories currently approved by the SEC may be found by visiting the SEC's website at <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 the MSRB Website.

**"Series 2024 Assessment Area"** shall have the meaning ascribed to such term in the Limited Offering Memorandum.

**"State"** shall mean the State of Florida.

**3. Content of Annual Reports.**

(a) The Annual Report shall contain or incorporate by reference Annual Financial Information with respect to the District, which includes an update of the financial and operating data of the District to the extent presented in the Limited Offering Memorandum, including:

(i) the amount of Assessments levied for the most recent prior Fiscal Year;

(ii) the amount of Assessments collected from property owners during the most recent prior Fiscal Year;

(iii) if available, the amount of delinquencies greater than 150 calendar days and, in the event that delinquencies amount to more than ten percent (10%) of the amount of Assessments due in any year, a list of delinquent property owners;

(iv) if available, the amount of tax certificates sold for lands within the District subject to the Assessments, if any, and the balance, if any, remaining for sale from the most recent prior Fiscal Year;

(v) the balances in all Funds and Accounts for the Bonds. Upon request, the District shall provide any Owners and the Dissemination Agent with this information more frequently than annually and, in such cases, within thirty (30) calendar days of the date of any written request from the Owners or the Dissemination Agent;

(vi) the total amount of Bonds Outstanding;

(vii) the amount of principal and interest due on the Bonds in the current Fiscal Year;

(viii) the most recent Audited Financial Statements of the District, unless such Audited Financial Statements have not yet been prepared, in which case unaudited financial statements shall be included in a format similar to the Audited Financial Statements; and

(ix) any amendment or waiver of the provisions hereof as described in Section 11 hereof.

(b) To the extent any of the items set forth in subsections (i) through (vii) above are included in the Audited Financial Statements referred to in subsection (viii) above, they do not have to be separately set forth. Any or all of the items listed above may be incorporated by specific reference to documents available to the public on the MSRB Website or filed with the SEC, including offering documents of debt issues of the District or related public entities, which have been submitted to the Repository. The District shall clearly identify any document incorporated by reference.

(c) The District and the Disclosure Representative of the District represent and warrant that they will supply, in a timely fashion, any information available to the District or the Disclosure Representative of the District and reasonably requested by the Dissemination Agent that is necessary in order for the Dissemination Agent to carry out its duties under this Disclosure Agreement. The District acknowledges and agrees that the information to be collected and disseminated by the Dissemination Agent will be provided by the District, the Disclosure Representative of the District and others. The Dissemination Agent's duties do not include authorship or production of any materials, and the Dissemination Agent shall have no responsibility hereunder for the content of the information provided to it by the District, the Disclosure Representative of the District or others as thereafter disseminated by the Dissemination Agent.

(d) Any Annual Financial Information containing modified operating data or financial information is required to explain, in narrative form, the reasons for the modification and the impact of the change in the type of operating data or financial information being provided.

#### **4. Provision of Annual Reports.**

(a) Subject to the following sentence, the District shall provide the Annual Report to the Dissemination Agent no later than March 30<sup>th</sup> after the close of the Fiscal Year (the "**Annual Filing Date**"), commencing with the Fiscal Year ended September 30, 2024, in an electronic format as prescribed by the Repository. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 3(a) hereof; provided that the Audited Financial Statements may be submitted separately from the balance of the Annual Report and later than the date required above, but in no event later than the Audited Financial Statements Filing Date, if they are not available by the Annual Filing Date. If the Audited Financial Statements are not available at the time of the filing of the Annual Report, unaudited financial statements are required to be delivered as part of the Annual Report in a format similar to the Audited Financial Statements. If the District's Fiscal Year changes, the District shall give notice of such change in the same manner as for a Listed Event under Section 7(a). The District shall file a copy of its Audited Financial Statements for the Fiscal Year ended September 30, 2023 on or before June 30, 2024. The Dissemination Agent shall immediately file the Annual Report or Audited Financial Statements, as applicable, upon receipt from the District with each Repository.

(b) If on the fifteenth (15<sup>th</sup>) calendar day prior to each Annual Filing Date and/or Audited Financial Statements Filing Date, the Dissemination Agent has not received a copy

of the Annual Report or Audited Financial Statements, as applicable, the Dissemination Agent shall contact the Disclosure Representative of the District by telephone and in writing (which may be by e-mail) to remind the District of its undertaking to provide the Annual Report or Audited Financial Statements, as applicable, pursuant to Section 4(a) above. Upon such reminder, the Disclosure Representative of the District shall either (i) provide the Dissemination Agent with an electronic copy of the Annual Report or Audited Financial Statements, as applicable, in accordance with Section 4(a) above, or (ii) instruct the Dissemination Agent in writing that the District will not be able to file the Annual Report or Audited Financial Statements, as applicable, within the time required under this Disclosure Agreement, state the date by which the Annual Report or Audited Financial Statements, as applicable, for such year will be provided and instruct the Dissemination Agent that a Listed Event as described in Section 7(a)(xv) has occurred and to immediately send a notice to any Repository in electronic format as required by such Repository in substantially the form attached as Exhibit A hereto.

(c) The Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Report or Audited Financial Statements, as applicable, the name, address and filing requirements of any Repository; and

(ii) promptly upon fulfilling its obligations under subsection (a) above, file a notice with the District certifying that the Annual Report or Audited Financial Statements, as applicable, has been provided pursuant to this Disclosure Agreement, stating the date(s) it was provided and listing any Repository to which it was provided.

## **5. Content of Quarterly Reports.**

(a) Each Quarterly Report shall contain the following information with respect to the lands owned by the Developer in the Series 2024 Assessment Area if such information is not otherwise provided pursuant to subsection (b) of this Section 5:

(i) a description and status of the infrastructure improvements in the District that have been completed and that are currently under construction, including infrastructure financed by the Bonds;

(ii) the number of assessable residential units planned on property subject to the Assessments;

(iii) the number of lots closed with builders subject to the Assessments;

(iv) the number of residential units closed with end users subject to the Assessments;

(v) the number of residential units under contract with end users subject to the Assessments;

(vi) the estimated date of complete build-out of residential units subject to the Assessments;



(vii) whether the Developer has made any bulk sale of the land subject to the Assessments other than as contemplated by the Limited Offering Memorandum;

(viii) the status of development approvals for the Series 2024 Assessment Area that would affect property subject to the Assessments;

(ix) materially adverse changes or determinations to permits or approvals for the Series 2024 Assessment Area which necessitate changes to the Developer's land-use or other plans for the Series 2024 Assessment Area that would affect property subject to the Assessments;

(x) updated plan of finance for the Series 2024 Assessment Area (i.e., status of any credit enhancement, issuance of additional bonds to complete project, draw on credit line of Developer or an affiliate, additional mortgage debt, etc.) that would affect property subject to the Assessments other than as contemplated by the Limited Offering Memorandum;

(xi) any event that has a material adverse impact on the implementation of the development of the Series 2024 Assessment Area as described in the Limited Offering Memorandum or on the Developer's ability to undertake the development of the Series 2024 Assessment Area as described in the Limited Offering Memorandum that would affect property subject to the Assessments; and

(xii) any amendment or waiver of the provisions hereof as described in Section 11 hereof.

(b) Any of the items listed in subsection (a) above may be incorporated by reference from other documents which are available to the public on the MSRB Website or filed with the SEC. The Developer shall clearly identify each such other document so incorporated by reference.

(c) The Developer and the Disclosure Representative of the Developer each represent and warrant that they will supply, in a timely fashion, any information reasonably requested by the Dissemination Agent that is necessary in order for the Dissemination Agent to carry out its duties under this Disclosure Agreement. The Developer acknowledges and agrees that the information to be collected and disseminated by the Dissemination Agent will be provided by the Developer, the Disclosure Representative of the Developer and others. The Dissemination Agent's duties do not include authorship or production of any materials, and the Dissemination Agent shall have no responsibility hereunder for the content of the information provided to it by the Developer, the Disclosure Representative of the Developer or others as thereafter disseminated by the Dissemination Agent.

(d) If the Developer sells, assigns or otherwise transfers ownership of real property in the Series 2024 Assessment Area subject to the Assessments to a third party, which will in turn be an Obligated Person for purposes of this Disclosure Agreement as a result thereof (a "**Transfer**"), the Developer hereby agrees to use commercially reasonable efforts to require such third party to assume the disclosure obligations of the Developer hereunder for so long as such third party is an Obligated Person hereunder, to the same extent as if such third party were a party to this Disclosure Agreement; provided, however,

that the Developer may elect to remain an Obligated Person with respect to any Transfer in the event such obligations are not assumed by such third party. The Developer involved in such Transfer shall promptly notify the District and the Dissemination Agent in writing of the Transfer. For purposes of Sections 5, 6, 7 and 9 hereof, the term "**Developer**" shall be deemed to include each of the Developer and any third party that becomes an Obligated Person hereunder as a result of a Transfer. In the event that the Developer remains an Obligated Person hereunder following any Transfer, nothing herein shall be construed to relieve the Developer from its obligations hereunder.

## **6. Provision of Quarterly Reports.**

(a) The Developer, so long as it is an Obligated Person for purposes of this Disclosure Agreement, shall provide a Quarterly Report to the Dissemination Agent no later than February 1 (for each calendar quarter ending December 31), May 1 (for each calendar quarter ending March 31), August 1 (for each calendar quarter ending June 30), and November 1 (for each calendar quarter ending September 30) after the end of each calendar quarter, commencing August 1, 2024, for the calendar quarter ending June 30, 2024; provided, however, that so long as the Developer is a reporting company, such dates shall be extended to the date of filing of its respective 10-K or 10-Q, if later, as the case may be (each, a "**Quarterly Filing Date**"). At such time as the Developer is no longer an Obligated Person, the Developer will no longer be obligated to prepare any Quarterly Report pursuant to this Disclosure Agreement. The Dissemination Agent shall immediately file the Quarterly Report upon receipt from the Developer with each Repository.

(b) If on the seventh (7<sup>th</sup>) calendar day prior to each Quarterly Filing Date the Dissemination Agent has not received a copy of the Quarterly Report due on such Quarterly Filing Date, the Dissemination Agent shall contact the Disclosure Representative of the Developer by telephone and in writing (which may be by e-mail) to remind the Developer of its undertaking to provide the Quarterly Report pursuant to Section 6(a) above. Upon such reminder, the Disclosure Representative of the Developer shall either (i) provide the Dissemination Agent with an electronic copy of the Quarterly Report in accordance with Section 6(a) above, or (ii) instruct the Dissemination Agent in writing that the Developer will not be able to file the Quarterly Report within the time required under this Disclosure Agreement and state the date by which such Quarterly Report will be provided. If the Dissemination Agent has not received a Quarterly Report that contains the information in Section 5 of this Disclosure Agreement by the Quarterly Filing Date, a Listed Event described in Section 7(a)(xv) shall have occurred and the District and the Developer hereby direct the Dissemination Agent to immediately send a notice to each Repository in electronic format as required by such Repository, no later than the following Business Day in substantially the form attached as Exhibit A hereto, with a copy to the District.

(c) The Dissemination Agent shall:

(i) determine prior to each Quarterly Filing Date the name, address and filing requirements of each Repository; and

(ii) promptly upon fulfilling its obligations under subsection (a) above, file a notice with the Developer and the District certifying that the Quarterly Report has

been provided pursuant to this Disclosure Agreement, stating the date(s) it was provided and listing any Repository to which it was provided.

## **7. Reporting of Significant Events.**

(a) Pursuant to the provisions of this Section 7, the District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds and the Developer shall give, or cause to be given, notice of the occurrence of items (x), (xii), (xiii), (xv), (xvi), (xvii) and (xviii) of the following events to the Dissemination Agent in writing in sufficient time in order to allow the Dissemination Agent to file notice of the occurrence of such Listed Event in a timely manner not in excess of ten (10) Business Days after the occurrence of the event, with the exception of the event described in item (xv) below, which notice shall be given in a timely manner:

- (i) principal and interest payment delinquencies;
- (ii) non-payment related defaults, if material;
- (iii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) unscheduled draws on credit enhancements reflecting financial difficulties\*;
- (v) substitution of credit or liquidity providers, or their failure to perform\*;
- (vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (vii) modifications to rights of the holders of the Bonds, if material;
- (viii) bond calls, if material, and tender offers;
- (ix) defeasances;
- (x) release, substitution, or sale of property securing repayment of the Bonds, if material;
- (xi) ratings changes<sup>†</sup>;
- (xii) an Event of Bankruptcy or similar event of an Obligated Person;
- (xiii) the consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of an

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\* There is no credit enhancement for the Bonds as of the date hereof.

<sup>†</sup> The Bonds are not rated as of the date hereof.

Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material;

(xv) notice of any failure on the part of the District to meet the requirements of Sections 3 and 4 hereof or of the Developer to meet the requirements of Sections 5 and 6 hereof;

(xvi) termination of the District's or the Developer's obligations under this Disclosure Agreement prior to the final maturity of the Bonds, pursuant to Section 9 hereof;

(xvii) incurrence of a Financial Obligation of the District or Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the District or Obligated Person, any of which affect security holders, if material;

(xviii) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the District or Obligated Person, any of which reflect financial difficulties;

(xix) occurrence of an Event of Default under the Indenture (other than as described in clause (i) above);

(xx) any amendment to the Indenture or this Disclosure Agreement modifying the rights of the Owners of the Bonds; and

(xxi) any amendment to the accounting principles to be followed by the District in preparing its financial statements, as required by Section 11 hereof.

(b) The notice required to be given in Section 7(a) above shall be filed with any Repository, in electronic format as prescribed by such Repository.

**8. Identifying Information.** In accordance with the Rule, all disclosure filings submitted pursuant to this Disclosure Agreement to any Repository must be accompanied by identifying information as prescribed by the Repository. Such information may include, but not be limited to:

(a) the category of information being provided;

(b) the period covered by any Annual Financial Information, financial statement or other financial information or operating data;

(c) the issues or specific securities to which such documents are related (including CUSIP numbers, issuer name, state, issue description/securities name, dated date, maturity date, and/or coupon rate);

- (d) the name of any Obligated Person other than the District;
- (e) the name and date of the document being submitted; and
- (f) contact information for the submitter.

**9. Termination of Disclosure Agreement.** The District's obligations hereunder shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds, so long as there is no remaining liability of the District for payment of the Bonds, or if the Rule is repealed or no longer in effect. The Developer's obligations hereunder shall terminate at the earlier of the legal defeasance, prior redemption or payment in full of all of the Bonds, or at such time as the Developer is no longer an Obligated Person. If any such termination occurs prior to the final maturity of the Bonds, the District and/or the Developer shall give notice of such termination in the same manner as for a Listed Event under Section 7.

**10. Dissemination Agent.** The District will either serve as the Dissemination Agent or appoint one under this Disclosure Agreement. Upon termination of the Dissemination Agent's services as Dissemination Agent, whether by notice of the District or the Dissemination Agent, the District agrees to appoint a successor Dissemination Agent or, alternatively, agrees to assume all responsibilities of the Dissemination Agent under this Disclosure Agreement for the benefit of the Owners of the Bonds. If at any time there is not any other designated Dissemination Agent, the District shall be deemed to be the Dissemination Agent. Notwithstanding any replacement or appointment of a successor, the District shall remain liable until payment in full for any and all sums owed and payable to the Dissemination Agent hereunder. The initial Dissemination Agent shall be 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 written notice to the District and the Developer. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the District or the Developer pursuant to this Disclosure Agreement.

Rizzetta & Company, Incorporated, does not represent the District 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 District with financial advisory services or offer investment advice in any form.

**11. Amendment; Waiver.** Notwithstanding any other provision of this Disclosure Agreement, the District, the Developer and the Dissemination Agent (if the Dissemination Agent is not the District) may amend this Disclosure Agreement, and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

- (a) if the amendment or waiver relates to the provisions of Sections 3(a), 4, 5(a), 6 or 7, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the District and/or the Developer, or the type of business conducted;

(b) the Disclosure Agreement, as amended or taking into account such waiver, would, in the opinion of counsel expert in federal securities laws, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the amendment or waiver either (i) is approved by the holders or Beneficial Owners of the Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of holders or Beneficial Owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or Beneficial Owners of the Bonds.

Notwithstanding the foregoing, the District, the Developer and the Dissemination Agent shall have the right to adopt amendments to this Disclosure Agreement necessary to comply with modifications to and interpretations of the provisions of the Rule as announced by the SEC from time to time without any other conditions.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the District and/or the Developer shall describe such amendment in its next Annual Report or Quarterly Report, as applicable, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change in accounting principles, on the presentation) of financial information or operating data being presented by the District or the Developer, as applicable. In addition, if the amendment relates to the accounting principles to be followed by the District in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 7(a), and (ii) the Annual Report or Audited Financial Statements, as applicable, for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

**12. Additional Information.** Nothing in this Disclosure Agreement shall be deemed to prevent the District or the Developer from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report, Quarterly Report, or notice of occurrence of a Listed Event in addition to that which is required by this Disclosure Agreement. If the District or the Developer chooses to include any information in any Annual Report, Quarterly Report, or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the District or the Developer shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report, Quarterly Report, or notice of occurrence of a Listed Event.

**13. Default.** In the event of a failure of the District, an Obligated Person, a Disclosure Representative, or the Dissemination Agent to comply with any provision of this Disclosure Agreement, the Trustee may (and, at the request of the Participating Underwriter or the Beneficial Owners of more than fifty percent (50%) aggregate principal amount of Outstanding Bonds and receipt of indemnity satisfactory to the Trustee, shall) or any Beneficial Owner of a Bond may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the

District, an Obligated Person, a Disclosure Representative, or the Dissemination Agent, as the case may be, to comply with its obligations under this Disclosure Agreement. No default hereunder shall be deemed an Event of Default under the Indenture, and the sole remedy under this Disclosure Agreement in the event of any failure of the District, an Obligated Person, a Disclosure Representative, or the Dissemination Agent, to comply with this Disclosure Agreement shall be an action to compel performance.

**14. Duties of Dissemination Agent.** The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement. The Dissemination Agent shall have no obligation to notify any other party hereto of an event that may constitute a Listed Event. Any filings under this Disclosure Agreement made to the MSRB through EMMA shall be in an EMMA compliant format. Anything herein to the contrary notwithstanding, in the event that a Disclosure Representative and the Dissemination Agent are the same party, such party's limited duties in their capacity as Dissemination Agent, as described hereinabove, shall not in any way relieve or limit such party's duties in their capacity as Disclosure Representative under this Disclosure Agreement.

**15. Beneficiaries.** This Disclosure Agreement shall inure solely to the benefit of the District, the Developer, the Dissemination Agent, the Trustee, the Participating Underwriter and Beneficial Owners of the Bonds (the Trustee, the Participating Underwriter and Beneficial Owners of the Bonds being hereby deemed express third-party beneficiaries of this Disclosure Agreement) and shall create no rights in any other person or entity.

**16. Counterparts.** This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

**17. Governing Law.** This Disclosure Agreement shall be governed by the laws of the State and federal law.

**18. Trustee Cooperation.** The District represents that the Dissemination Agent is a bona fide agent of the District and directs the Trustee to deliver to the Dissemination Agent, at the expense of the District, any information or reports it requests that the District has a right to request from the Trustee (inclusive of balances, payments, etc.) that are in the possession of and readily available to the Trustee.

**19. Binding Effect.** This Disclosure Agreement shall be binding upon each party to this Disclosure Agreement and upon each successor and assignee of each party to this Disclosure Agreement and shall inure to the benefit of, and be enforceable by, each party to this Disclosure Agreement and each successor and assignee of each party to this Disclosure Agreement. Notwithstanding the foregoing, as to the Developer or any assignee or successor thereto that becomes an Obligated Person pursuant to the terms of this Disclosure Agreement, only successors or assignees to such parties who are, by definition, Obligated Persons, shall be bound or benefited by this Disclosure Agreement.

**20. Undertakings.** The Developer represents that it has instituted internal processes to provide information to the Dissemination Agent on a timely basis and obtained assurances from the Dissemination Agent that they will in turn request the required reporting information timely and file such information timely with the appropriate Repository.

**SIGNATURE PAGE TO CONTINUING DISCLOSURE AGREEMENT  
(Waterset South Community Development District)**

IN WITNESS WHEREOF, the undersigned have executed this Disclosure Agreement as of the date and year set forth above.

[SEAL]

**WATERSET SOUTH COMMUNITY  
DEVELOPMENT DISTRICT**

Consented and Agreed to by:

**RIZZETTA & COMPANY,  
INCORPORATED**, and its successors and  
assigns, as Disclosure Representative

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

By: \_\_\_\_\_  
William J. Rizzetta, President

Joined by **U.S. BANK TRUST COMPANY,  
NATIONAL ASSOCIATION**, as Trustee for  
purposes of Sections 13, 15 and 18 only

**RIZZETTA & COMPANY,  
INCORPORATED**, as initial Dissemination  
Agent

By: \_\_\_\_\_  
Leanne M. Duffy, Vice President

By: \_\_\_\_\_  
William J. Rizzetta, President

**NNP-SOUTHBEND II, LLC**,  
a Delaware limited liability company,  
as Developer

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_



**EXHIBIT A TO CONTINUING DISCLOSURE AGREEMENT  
(Waterset South Community Development District)**

**NOTICE TO REPOSITORIES  
OF FAILURE TO FILE ANNUAL REPORT/QUARTERLY REPORT/  
AUDITED FINANCIAL STATEMENTS**

Name of District: Waterset South Community Development District (the "District")

Obligated Person(s) Waterset South Community Development District  
NNP-Southbend II, LLC (the "Developer")

Name of Bond Issue: \$[Bond Amount] Special Assessment Revenue Bonds, Series 2024 (the "Bonds")

Date of Issuance: [Closing Date]

CUSIPS: [\_\_\_\_\_]

**NOTICE IS HEREBY GIVEN** that the [District] [Developer] has not provided [an Annual Report] [Audited Financial Statements] [a Quarterly Report] with respect to the above-named Bonds as required by [Section 4] [Section 6] of the Continuing Disclosure Agreement dated [Closing Date], among the District, the Developer and the Dissemination Agent named therein. The [District] [Developer] has advised the undersigned that it anticipates that the [Annual Report] [Audited Financial Statements] [Quarterly Report] will be filed by \_\_\_\_\_, 20\_\_\_\_.

Dated: \_\_\_\_\_, \_\_\_\_\_, Dissemination Agent

cc: [District] [Developer]  
Participating Underwriter

## **Tab 7**

**SECOND AMENDMENT TO AGREEMENT BETWEEN SR LANDSCAPING, LLC,  
AND WATERSET SOUTH COMMUNITY DEVELOPMENT DISTRICT  
FOR LANDSCAPE MAINTENANCE SERVICES  
[PHASE D2 and G1 PONDS]**

This Second Amendment (“Second Amendment”) is made and entered into this \_\_\_\_ day of December, 2023 by and between:

**WATERSET SOUTH COMMUNITY DEVELOPMENT DISTRICT**, a local unit of special-purpose government established pursuant to Chapter 190, Florida Statutes, located in Hillsborough County, Florida, whose address is 3434 Colwell Avenue, Ste. 200, Tampa, Florida 33614 (“District”), and

**SR LANDSCAPING, LLC**, a Delaware limited liability company, with a mailing address of 5521 Baptist Church Road, Tampa, Florida 33610 (“Contractor” together with District, the “Parties”).

**RECITALS**

**WHEREAS**, the District owns, operates, and maintains certain public infrastructure improvements, including but not limited to surface water management systems, roadways, landscaping and irrigation, and other infrastructure; and

**WHEREAS**, the Parties previously entered into that certain *Agreement for Landscape Maintenance Services*, dated August 10, 2023, (“Agreement”) as amended from time to time; and

**WHEREAS**, Section 17 of the Agreement provides that the Parties may amend the Agreement when such amendment is in writing and authorized by both Parties; and

**WHEREAS**, the Parties now desire to amend the Agreement to add to the Scope of Services for the Phase D2 landscape and G1 ponds and increase the total compensation due to the Contractor as set forth in more detail below and in the Contractor’s proposal attached hereto as **Exhibit A**.

**NOW, THEREFORE**, based upon good and valuable consideration and the mutual covenants of the Parties, the receipt of which and sufficiency of which are hereby acknowledged, the Parties agree as follows:

**SECTION 1. INCORPORATION OF RECITALS.** The recitals stated above are true and correct and are incorporated as a material part of this Second Amendment.

**SECTION 2. AMENDMENT OF AGREEMENT.** Exhibit B of the Agreement is hereby amended to provide for the additional services set forth in the attached **Exhibit A** (hereinafter the “Additional Services”). As compensation for the Additional Services, the District agrees to pay an additional Two Hundred Thirty-One Thousand Six Hundred Sixty-Three Dollars and Zero Cents (\$231,663.00) per year to the Contractor payable in twelve (12) annual installments in accordance with the terms of the Agreement.

**SECTION 3. AFFIRMATION OF THE AGREEMENT.** The Agreement is hereby affirmed and continues to constitute a valid and binding agreement between the Parties. Except as described in Section 2 of this Second Amendment, nothing herein shall modify the rights and obligations of the Parties under the Agreement. All of the remaining provisions, including, but not limited to, the engagement of services, indemnification, and sovereign immunity provisions, remain in full effect and fully enforceable.

**SECTION 4. AUTHORIZATION.** The execution of this Second Amendment has been duly authorized by the appropriate body or official of the Parties, both Parties have complied with all the requirements of law, and both the Parties have full power and authority to comply with the terms and provisions of this Second Amendment.

**SECTION 5. EXECUTION IN COUNTERPARTS.** This Second Amendment may be executed in any number of counterparts, each of which when executed and delivered shall be an original; however, all such counterparts together shall constitute, but one and the same instrument.

[SIGNATURES ON NEXT PAGE]

**IN WITNESS WHEREOF**, the Parties hereto have executed this Second Amendment as of the day and year first written above.

ATTEST:

**WATERSET SOUTH COMMUNITY  
DEVELOPMENT DISTRICT**

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

\_\_\_\_\_  
Chairperson, Board of Supervisors

ATTEST:

**SR LANDSCAPING, LLC**, a Delaware  
limited liability company

\_\_\_\_\_  
Signature of Witness

Title: \_\_\_\_\_

\_\_\_\_\_  
Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Exhibit A:** Additional Services

**EXHIBIT A**  
**Additional Services**



**Amendment**

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PROPOSAL SUBMITTED TO:

DATE: 12/6/2023

**Waterset South CDD**  
**Apollo Beach, FL**

**General Landscape Maintenance Amendment will include:**

- **Addition of Phase 2 landscaping. This scope of work includes full-service maintenance, palm pruning, natural area cutbacks, and crape myrtle trimming to fall in line with the original scope of work.**
- **Addition of G1 Pond Embankments**

<b>Current Annual Contract:</b>	<b>\$117,827.00</b>
<b>Phase 2 Maint Additions:</b>	<b>\$152,247.00</b>
<b><u>G1 Pond Embankments:</u></b>	<b><u>\$38,472.00</u></b>
<b>Total Contract Cost:</b>	<b>\$308,546.00</b>

You are hereby authorized to furnish all materials and labor required to complete the services mentioned in the above agreement, for which I/we agree to pay the amount mentioned in said agreement and according to the terms thereof.

Start services as of: 12/6/2023

**CUSTOMER**

ACCEPTED By:

\_\_\_\_\_  
Signature of authorized representative      Title

\_\_\_\_\_  
Date

Print or type name

**SUNRISE LANDSCAPE**

*Jay Grimaldi* \_\_\_\_\_ Date 12/6/2023  
Jay Grimaldi  
General Manager

Sunrise Landscape  
5521 Baptist Church Rd. Tampa, FL 33610



## Amendment

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PROPOSAL SUBMITTED TO:

DATE: 12/6/2023

**Waterset South CDD  
Apollo Beach, FL**

**General Landscape Maintenance Amendment will include:**

- **Addition of Phase 2 hort and pest control services. This scope of work is based on what the current contract specifies**

<b>Current Annual Contract:</b>	<b>\$23,939.00</b>
<b>Phase 2 Fertilization:</b>	<b>\$34,704.00</b>
<b><u>Phase 2 Pest Control:</u></b>	<b><u>\$6,240.00</u></b>
<b>Total Contract Cost:</b>	<b>\$64,883.00</b>

You are hereby authorized to furnish all materials and labor required to complete the services mentioned in the above agreement, for which I/we agree to pay the amount mentioned in said agreement and according to the terms thereof.

Start services as of: 12/6/2023

### CUSTOMER

ACCEPTED By:

-----  
Signature of authorized representative      Title

----- Date -----  
Print or type name

### SUNRISE LANDSCAPE

*Jay Grimaldi* ----- Date 12/6/2023 -----  
Jay Grimaldi  
General Manager

Sunrise Landscape  
5521 Baptist Church Rd. Tampa, FL 33610

## **Tab 8**



**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.*

WATERSET SOUTH  
COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Waterset South Community Development District was held on **Thursday, December 14, 2023, at 9:02 AM** at the offices of **Rizzetta & Company, 2700 S. Falkenburg Road Suite 2745, Riverview FL 33578.**

Present and constituting a quorum:

Amanda King	<b>Board Supervisor, Chairman</b>
Lynda McMorrow	<b>Board Supervisor, Assistant Secretary</b>
Deneen Klenke	<b>Board Supervisor, Assistant Secretary</b>
John Blakley	<b>Board Supervisor, Assistant Secretary</b>

Also present were:

Ruben Durand	<b>District Manager, Rizzetta &amp; Co.</b>
Alyssa Willson	<b>District Counsel, Kutak Rock LLP (via conf. call)</b>
Kate John	<b>District Counsel, Kutak Rock LLP (via conf. call)</b>
John Toborg	<b>Field Services, Rizzetta</b>
Jeff Cane	<b>Representative, Sunrise Landscape</b>
Jessi Milch	<b>Representative, Sunrise Landscape</b>
Christian Santiago	<b>Representative, Sunrise Landscape</b>
Tony Smith	<b>Representative, Sitex Aquatics</b>
Paul Valna	<b>Representative, Ballenger Irrigation</b>
Stacie Ramsey	<b>Representative, Ballenger Irrigation</b>
Kathy Parodi	<b>Clubhouse Manager, Castle Group</b>

Audience

**Not Present**

**FIRST ORDER OF BUSINESS**

**Call to Order**

Mr. Durand called the meeting to order and confirmed a quorum.

**SECOND ORDER OF BUSINESS**

**Audience Comments**

No audience / No comments

**THIRD ORDER OF BUSINESS**

**Staff Reports**

**A. Aquatics**

**1. Presentation of Waterway Inspection Report**

Mr. Smith presented report.

**B. Landscape & Irrigation**

**1. Presentation of Landscape Inspection Report**

Mr. Toborg presented report and answered board member questions and concerns.

**2. Landscape Contractor Update**

Ms. Milch provided updates.

**3. Irrigation Contractor Update**

Ms. Ramsey provided updates.

**C. District Counsel**

Ms. Willson provided updates.

<p>On a motion by Ms. King, seconded by Ms. Klenke, with all in favor, the Board approved the proposal from Sunrise for maintenance, fertilization and pest control and authorized District Counsel to prepare the agreement and have the Chairman sign, for the Waterset South Community Development District.</p>
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**D. District Engineer**

Not present / No report

**E. District Manager**

Mr. Durand advised the Board that the next meeting will be held on January 11, 2024, at 9:00 a.m., at the offices of Rizzetta & Company, located at 2700 S. Falkenburg Road Suite 2745, Riverview FL 33578

**FOURTH ORDER OF BUSINESS**

**Ratification of Phase G1 Tracts**

On a motion by Ms. Klenke, seconded by Ms. King, with all in favor, the Board ratified the Phase G1 Tracts, for the Waterset South Community Development District.

**FIFTH ORDER OF BUSINESS**

**Consideration of Sitex Proposal for Additional Ponds**

The board tabled this item for the January meeting.

**SIXTH ORDER OF BUSINESS**

**Consideration of Board of Supervisors Regular Meeting Minutes for November 9, 2023**

On a motion by Mr. Blakley, seconded by Ms. King, with all in favor, the Board approved the Regular Meeting Minutes for November 9, 2023, as amended, for the Waterset South Community Development District.

**SEVENTH ORDER OF BUSINESS**

**Consideration of Operations & Maintenance Expenditures for October 2023**

**October 2023 - \$56,449.99**

On a motion by Ms. King, seconded by Ms. Klenke, with all in favor, the Board ratified the Operations & Maintenance Expenditures for October 2023 (**\$56,449.99**), for the Waterset South Community Development District.

**EIGHTH ORDER OF BUSINESS**

**Supervisor Requests**

There were no Supervisor Requests.

**NINTH ORDER OF BUSINESS**

**Adjournment**

On a motion by Mr. Blakley, seconded by Ms. Klenke, with all in favor, the Board adjourned the meeting at 10:02 a.m., for the Waterset South Community Development District.

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Assistant Secretary

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Chair / Vice Chair

