

*Anabelle Island*  
*Community Development District*

*AUGUST 10, 2021*

# *AGENDA*

Anabelle Island  
Community Development District  
475 West Town Place  
Suite 114  
St. Augustine, Florida 32092  
1-866-705-2554 Code: 665769

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August 3, 2021

Board of Supervisors  
Anabelle Island Community Development District

Dear Board Members:

The Meeting of the Board of Supervisors of the Anabelle Island Community Development District will be held Tuesday, August 10, 2021 at 2:00 p.m. at the Plantation Oaks Amenity Center, 845 Oakleaf Plantation Parkway, Orange Park, Florida 32065.

- I. Roll Call
- II. Audience Comments (*regarding agenda items listed below*)
- III. Consideration of Minutes of the July 13, 2021 Meeting
- IV. Acceptance of the Minutes of the July 13, 2021 Audit Committee Meeting
- V. Ratification of Agreement with KE Law Group for General Legal Counsel
- VI. Consideration of Audit Engagement Letter from Grau & Associates
- VII. Public Hearing Adopting the Budget for Fiscal Year 2022
  - A. Consideration of Resolution 2021-36, Relating to the Annual Appropriations and Adopting the Budget for Fiscal Year 2022
- VIII. Public Hearing on Proposed O&M Assessments for Fiscal Year 2022
  - A. Consideration of Resolution 2021-37, Imposing Special Assessments and Certifying an Assessment Roll for Fiscal Year 2022
  - B. Consideration of Fiscal Year 2021/2022 Budget Funding Agreement
- IX. Consideration of Resolution 2021-38, Delegated Award Resolution

- X. Consideration of Resolution 2021-39, Designating Registered Agent and Registered Office
- XI. Staff Reports
  - A. Attorney
  - B. Engineer
  - C. Manager – Discussion of Fiscal Year 2022 Meeting Schedule
- XII. Supervisors Requests
- XIII. Audience Comments
- XIV. Financial Statements as of July 31, 2021
- XV. Consideration of Funding Request No. 5
- XVI. Next Scheduled Meeting – September 14, 2021 @ 2:00 p.m.
- XVII. Adjournment

*THIRD ORDER OF BUSINESS*

MINUTES OF MEETING  
ANABELLE ISLAND  
COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Anabelle Island Community Development District was held Tuesday, July 13, 2021 at 2:10 p.m. at Plantation Oaks Amenity Center, 845 Oakleaf Plantation Parkway, Orange Park, Florida.

Present and constituting a quorum:

Jim McDade <i>by phone</i>	Chairman
Kurt von der Osten	Supervisor
Rose Bock	Supervisor
Darren Gowens	Supervisor

Also present were:

Jim Perry	District Manager
Jennifer Kilinski <i>by phone</i>	District Counsel
David Taylor <i>by phone</i>	Dunn & Associates
Marilee Giles	GMS, LLC

**FIRST ORDER OF BUSINESS**

**Roll Call**

Mr. Perry called the meeting to order. Three Board members were present constituting a quorum. Mr. McDade was present by phone.

**SECOND ORDER OF BUSINESS**

**Audience Comments**

There being none, the next item followed.

**THIRD ORDER OF BUSINESS**

**Consideration of Minutes of the June 8,  
2021 Meeting**

Mr. Perry asked if there were any comments or questions on the June 8, 2021 meeting minutes. There being none, the next item followed.

On MOTION by Ms. Bock, seconded by Mr. Osten, with all in favor, the Minutes of the June 8, 2021 Meeting, were approved as presented.
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**FOURTH ORDER OF BUSINESS**

**Acceptance of the Minutes of the June 8, 2021 Audit Committee Meeting**

Mr. Perry asked if there were any comments or questions on the June 8, 2021 meeting minutes. There being none, the next item followed.

On MOTION by Ms. Bock, seconded by Mr. Gowens, with all in favor, the Minutes of the June 8, 2021 Audit Committee Meeting, were accepted.

**FIFTH ORDER OF BUSINESS**

**Acceptance of Audit Committee's Recommendation; Consideration of Proposals for Fiscal Year 2021 Audit Services**

Mr. Perry stated the Audit Committee met prior to this meeting and ranked two proposals. They ultimately ranked Grau & Associates as #1 and Berger, Toombs, Elam, Gaines & Frank #2 for audit services.

On MOTION by Mr. Osten, seconded by Mr. Gowens, with all in favor, Acceptance of the Audit Committee's Recommendation for Fiscal Year 2021 Audit Services with Grau & Associates Ranked #1, was approved.

**SIXTH ORDER OF BUSINESS**

**Discussion of Fiscal Year 2022 Budget**

Mr. Perry stated that there were no updates to this budget, and that a public hearing will be subsequent to this meeting. No action was needed.

**SEVENTH ORDER OF BUSINESS**

**Staff Reports**

**A. Attorney**

Ms. Kilinski stated she had nothing specific to report but that she was happy to answer any questions. Mr. Perry asked Ms. Kilinski to provide an update on the bond schedule for the Board. Ms. Kilinski confirmed that they were scheduled for validation on August 17, 2021. She stated she would hopefully have another update at the next meeting regarding this matter.

**B. Engineer**

Mr. Taylor did not have any updates to provide.

**C. Manager**

Mr. Perry noted that they had received preliminary financial data from the underwriter in regards to the Supplemental Assessment Methodology and said they are working through that. He elaborated that the bond issuance cannot take place until after the validation is completed.

**EIGHTH ORDER OF BUSINESS**

**Supervisors Requests**

There being none, the next item followed.

**NINTH ORDER OF BUSINESS**

**Audience Comments**

There being none, the next item followed.

**TENTH ORDER OF BUSINESS**

**Financial Statements as of June 30, 2021**

Mr. Perry noted that the financial statements were through June 30, 2021. He stated that this information was included under Section 10. There was no action needed by the Board.

**ELEVENTH ORDER OF BUSINESS**

**Consideration of Funding Request No. 4**

Mr. Perry stated that this information was available in the agenda package. The total was \$20,189.81. Those included costs related to capital projects, not just the general fund itself. He elaborated that the amount was totaled at \$9,698.50 and was inclusive of the \$20,189.81 total.

On MOTION by Ms. Bock, seconded by Mr. Osten, with all in favor, Funding Request No. 4 in the amount of \$20,189.81, was approved.
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**TWELTH ORDER OF BUSINESS**

**Next Scheduled Meeting – August 10, 2021  
@ 2:00 p.m.**

Mr. Perry stated the next scheduled meeting will be August 10, 2021 at 2:00 p.m. in the same location.



**THIRTEENTH ORDER OF BUSINESS**

**Adjournment**

On MOTION by Ms. Bock, seconded by Mr. Osten, with all in favor, the meeting was adjourned.

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Secretary/Assistant Secretary

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Chairman/Vice Chairman

*FOURTH ORDER OF BUSINESS*

MINUTES OF MEETING  
ANABELLE ISLAND  
COMMUNITY DEVELOPMENT DISTRICT

The audit committee meeting of the Anabelle Island Community Development District met Tuesday, July 13, 2021 at 2:00 p.m. at Plantation Oaks Amenity Center 845 Oakleaf Plantation Parkway, Orange Park, Florida.

Present and constituting a quorum:

Jim McDade <i>by phone</i>	Chairman
Kurt von der Osten	Supervisor
Rose Bock	Supervisor
Darren Gowens	Supervisor

Also present were:

Jim Perry	District Manager
Jennifer Kilinski <i>by phone</i>	District Counsel
David Taylor <i>by phone</i>	Dunn & Associate
Marilee Giles	GMS

**FIRST ORDER OF BUSINESS**

**Roll Call**

Mr. Perry called the audit committee meeting to order and called the roll. Four members were present constituting a quorum.

**SECOND ORDER OF BUSINESS**

**Review and Ranking of Audit Proposals  
Received in Response to the RFP**

Mr. Perry stated that they received two proposals. One was from Grau & Associates and the other was from Berger, Toombs, Elam, Gaines & Frank. Mr. Perry ranked each proposal and told the Board it was up to them if they would like to use his rankings. Berger, Toombs, Elam, Gaines & Frank showed about \$100 difference in fees compared to Grau & Associates over a 5-year period. Mr. Perry explained that within the past year, Berger, Toombs, Elam, Gaines & Frank has had more issues getting audits out than Grau & Associates.

Ms. Bock asked Mr. Perry who does their audits now, to which Mr. Perry responded that neither were currently due to this being the first audit being done on this District.

On MOTION by Ms. Bock seconded by Mr. Gowens with all in favor, Ranking the Audit Proposal Received in Response to the RFP with Grau & Associates #1, was approved.

**THIRD ORDER OF BUSINESS**

**Other Business**

There being none, the next item followed.

**FOURTH ORDER OF BUSINESS**

**Adjournment**

On MOTION by Mr. Van Der Osten seconded by Ms. Bock with all in favor the audit committee adjourned.

*FIFTH ORDER OF BUSINESS*



P.O. Box 6386, Tallahassee, Florida 32314

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**KE LAW GROUP, PLLC  
FEE AGREEMENT  
ANABELLE ISLAND CDD**

**I. PARTIES**

THIS AGREEMENT ("Agreement") is made and entered into by and between the following parties:

A. Anabelle Island Community Development District ("Client")  
c/o District Manager  
475 West Town Place, Suite 114  
St. Augustine, FL 32092

and

B. KE Law Group, PLLC ("KE Law")  
P.O. Box 6386  
Tallahassee, Florida 32314

**II. SCOPE OF SERVICES**

In consideration of the mutual agreements contained herein, the parties agree as follows:

- A. The Client agrees to employ and retain KE Law as its general legal counsel.
- B. KE Law accepts such employment and agrees to serve as attorney for and provide legal representation to the Client regarding those matters referenced above.

**III. FEES**

The Client agrees to compensate KE Law for services rendered regarding any matters covered by this Agreement according to the hourly billing rates for individual KE Law lawyers set forth herein, plus actual expenses incurred by KE Law in accordance with the attached standard Expense Reimbursement Policy (**Attachment A**, incorporated herein by reference). For Calendar Year 2021, the discounted hourly rates will be \$305 per hour for partners, \$265 per hour for associates, \$225 per hour for part-time contract attorneys, and \$165 per hour for paralegals. Hourly rates may be increased annually by up to \$5 per hour. Any hourly rate exceeding \$5 per hour shall require Client consent.

**IV. CLIENT FILES**

The files and work product materials ("Client File") of the Client generated or received by KE Law will be maintained by KE Law in its regular offices. At the conclusion of the representation, the Client

File will be stored by KE Law for a minimum of five (5) years. After the five (5) year storage period, the Client hereby acknowledges and consents that KE Law may confidentially destroy or shred the Client File, unless KE Law is provided a written request from the Client requesting return of the Client File, to which KE Law will return the Client File at Client's expense.

#### **V. DEFAULT**

In the event of a dispute arising under this Agreement, whether or not a lawsuit or other proceeding is filed, the prevailing party shall be entitled to recover its reasonable attorneys' fees and costs, including attorneys' fees and costs incurred in litigating entitlement to attorneys' fees and costs, as well as in determining or quantifying the amount of recoverable attorneys' fees and costs. The reasonable costs to which the prevailing party is entitled shall include costs that are taxable under any applicable statute, rule, or guideline, as well as non-taxable costs, including, but not limited to, costs of investigation, telephone charges, mailing and delivery charges, information technology support charges, consultant and expert witness fees, travel expenses, court reporter fees, and mediator fees, regardless of whether such costs are otherwise taxable. Venue of any such action shall be exclusive in the state courts of the Second Judicial Circuit in and for Leon County, Florida.

#### **VI. CONFLICTS**

It is important to disclose that KE Law represents a number of special districts, builders, developers, and other entities throughout Florida relating to community development districts and other special districts. By accepting this Agreement, Client agrees that (1) Client was provided with an explanation of the implications of the common representation(s) and the advantages and risks involved; (2) KE Law will be able to provide competent and diligent representation of Client, regardless of KE Law's other representations, and (3) there is not a substantial risk that KE Law's representation of Client would be materially limited by KE Law's responsibilities to another client, a former client or a third person or by a personal interest. Acceptance of this fee proposal will constitute your waiver of any "conflict" with KE Law's representation of various special districts, builders, developers, and other entities relating to community development districts and other special districts in Florida.

#### **VII. TERMINATION**

Either party may terminate this Agreement upon providing prior written notice to the other party at its regular place of business. All fees due and payable in accordance with this Agreement shall accrue and become payable pursuant to the terms of this Agreement through the date of termination.

#### **VIII. EXECUTION OF AGREEMENT**

This Agreement shall be deemed fully executed upon its signing by KE Law and the Client. The contract formed between KE Law and the Client shall be the operational contract between the parties.

#### **IX. ENTIRE CONTRACT**

This Agreement constitutes the entire agreement between the parties.

Accepted and agreed to by:

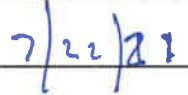
**ANABELLE ISLAND CDD**

By: Jim McDade



Its: Chair

Date: 7/22/21



**KE LAW GROUP, PLLC**

*Jennifer Kilinski*

By: Jennifer Kilinski

Its: Authorized Member

Date: July 19, 2021



**ATTACHMENT A**

**KE LAW GROUP, PLLC  
EXPENSE REIMBURSEMENT POLICY**

The following is the expense reimbursement policy for the Agreement. All expenses are billed monthly. Billings ordinarily reflect expenses for the most recent month, except where there are delays in receiving bills from third party vendors.

Telephone. All telephone charges are billed at an amount approximating actual cost.

Facsimile. There are no charges for faxes.

Postage. Postage is billed at actual cost.

Overnight Delivery. Overnight delivery is billed at actual cost.

Travel. Travel (including air fare, rental cars, taxicabs, hotel, meals, tips, etc.) is billed at actual cost. Where air travel is required, coach class is used wherever feasible. Out-of-town mileage is billed at the IRS mileage reimbursement rates.

Other Expenses. Other outside expenses, such as court reporters, agency copies, large print projects, etc. are billed at actual cost.

Word Processing and Secretarial Overtime. No charge is made for word processing. No charge is made for secretarial overtime except in major litigation matters where unusual overtime demands are imposed.

*SIXTH ORDER OF BUSINESS*



# Grau & Associates

CERTIFIED PUBLIC ACCOUNTANTS

951 Yamato Road • Suite 280  
Boca Raton, Florida 33431  
(561) 994-9299 • (800) 299-4728  
Fax (561) 994-5823  
www.graucpa.com

August 4, 2021

Board of Supervisors  
Anabelle Island Community Development District  
5385 N. Nob Hill Road  
Sunrise, FL 33351

We are pleased to confirm our understanding of the services we are to provide Anabelle Island Community Development District, Clay County, Florida ("the District") for the fiscal year ended September 30, 2021, with the option of four (4) additional one-year renewals. We will audit the financial statements of the governmental activities and each major fund, including the related notes to the financial statements, which collectively comprise the basic financial statements of Anabelle Island Community Development District as of and for the fiscal year ended September 30, 2021, with the option of four (4) additional one-year renewals. In addition, we will examine the District's compliance with the requirements of Section 218.415 Florida Statutes.

Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the District's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the District's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis.
- 2) Budgetary comparison schedule

## **Audit Objectives**

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of the accounting records of the District and other procedures we consider necessary to enable us to express such opinions. We will issue a written report upon completion of our audit of the District's financial statements. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or add emphasis-of-matter or other-matter paragraphs. If our opinion on the financial statements is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or issue a report, or may withdraw from this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and on compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. The paragraph will also state that the report is not suitable for any other purpose. If during our audit we become aware that the District is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing

standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

### **Examination Objective**

The objective of our examination is the expression of an opinion as to whether the District is in compliance with Florida Statute 218.415 in accordance with Rule 10.556(10) of the Auditor General of the State of Florida. Our examination will be conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and will include tests of your records and other procedures we consider necessary to enable us to express such an opinion. We will issue a written report upon completion of our examination of the District's compliance. The report will include a statement that the report is intended solely for the information and use of management, those charged with governance, and the Florida Auditor General, and is not intended to be and should not be used by anyone other than these specified parties. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or add emphasis-of-matter or other-matter paragraphs. If our opinion on the District's compliance is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the examination or are unable to form or have not formed an opinion, we may decline to express an opinion or issue a report, or may withdraw from this engagement.

### **Management Responsibilities**

Management is responsible for the financial statements and all accompanying information as well as all representations contained therein. Further, management is responsible for compliance with Florida Statute 218.415 and will provide us with the information required for the examination. The accuracy and completeness of such information is also management's responsibility. As part of the audit, we will assist with preparation of your financial statements and related notes in conformity with U.S. generally accepted accounting principles based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. You agree to assume all management responsibilities relating to the financial statements and related notes and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements and related notes and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. In addition, you will be required to make certain representations regarding compliance with Florida Statute 218.415 in the management representation letter. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Management is responsible for establishing and maintaining effective internal controls, including evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management is reliable and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the financial statements and all accompanying information in conformity with U.S. generally accepted accounting principles, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. As part of our engagement, we may propose standard adjusting, or correcting journal entries to your financial statements. You are responsible for reviewing the entries and understanding the nature of the proposed entries and the impact they have on the financial statements.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants and for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts or grant agreements, or abuse that we report.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and

recommendations resulting from those audits, attestation engagements, performance audits, or other studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

#### **Audit Procedures—General**

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. Our responsibility as auditors is limited to the period covered by our audit and does not extend to later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

#### **Audit Procedures—Internal Control**

Our audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

#### **Audit Procedures—Compliance**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the District's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

#### **Engagement Administration, Fees, and Other**

We understand that your employees will prepare all cash or other confirmations we request and will locate any documents selected by us for testing.

The audit documentation for this engagement is the property of Grau & Associates and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to a cognizant or oversight agency or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Grau & Associates personnel. Furthermore, upon request, we may

provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies. Notwithstanding the foregoing, the parties acknowledge that various documents reviewed or produced during the conduct of the audit may be public records under Florida law. The District agrees to notify Grau & Associates of any public record request it receives that involves audit documentation.

Furthermore, Grau & Associates agrees to comply with all applicable provisions of Florida law in handling such records, including but not limited to Section 119.0701, Florida Statutes. Auditor acknowledges that the designated public records custodian for the District is the District Manager ("Public Records Custodian"). Among other requirements and to the extent applicable by law, Grau & Associates shall 1) keep and maintain public records required by the District to perform the service; 2) upon request by the Public Records Custodian, provide the District with the requested public records or allow the records to be inspected or copied within a reasonable time period at a cost that does not exceed the cost provided in Chapter 119, Florida Statutes; 3) ensure that public records which are exempt or confidential, and exempt from public records disclosure requirements, are not disclosed except as authorized by law for the duration of the contract term and following the contract term if Auditor does not transfer the records to the Public Records Custodian of the District; and 4) upon completion of the contract, transfer to the District, at no cost, all public records in Grau & Associate's possession or, alternatively, keep, maintain and meet all applicable requirements for retaining public records pursuant to Florida laws. When such public records are transferred by Grau & Associates, Grau & Associates shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. All records stored electronically must be provided to the District in a format that is compatible with Microsoft Word or Adobe PDF formats.

**IF GRAU & ASSOCIATES HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO ITS DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS AGREEMENT, CONTACT THE PUBLIC RECORDS CUSTODIAN AT:**

**GMS-NF, LLC  
475 WEST TOWN PLACE, SUITE 114  
ST. AUGUSTINE, FL 32092  
TELEPHONE: 904-940-5850**

This agreement provides for a contract period of one (1) year with the option of four (4) additional, one-year renewals upon the written consent of both parties. Our fee for these services will not exceed \$3,400 for the September 30, 2021 audit. The fees for the fiscal years 2022, 2023, 2024 and 2025 will not exceed \$3,500, \$3,600, \$3,700 and \$3,800, respectively, unless there is a change in activity by the District which results in additional audit work or if Bonds are issued.

We will complete the audit within prescribed statutory deadlines, which requires the District to submit its annual audit to the Auditor General no later than nine (9) months after the end of the audited fiscal year, with the understanding that your employees will provide information needed to perform the audit on a timely basis.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. Invoices will be submitted in sufficient detail to demonstrate compliance with the terms of this agreement. In accordance with our firm policies, work may be suspended if your account becomes 60 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate.

The District may terminate this agreement, with or without consent, upon thirty (30) days written notice of termination to Grau & Associates. Upon any termination of this agreement, Grau & Associates shall be entitled to payment of all work and/or services rendered up until the date of the notice of termination subject to any offsets the District may have against Grau & Associates.

We will provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our 2019 peer review report accompanies this letter.

We appreciate the opportunity to be of service to Anabelle Island Community Development District and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

Grau & Associates



---

Antonio J. Grau

RESPONSE:

This letter correctly sets forth the understanding of Anabelle Island Community Development District.

By: \_\_\_\_\_

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

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



**FICPA Peer Review Program**  
Administered in Florida  
by The Florida Institute of CPAs



Peer Review  
Program

**AICPA Peer Review Program**  
Administered in Florida  
by the Florida Institute of CPAs

February 20, 2020

Antonio Grau  
Grau & Associates  
951 Yamato Rd Ste 280  
Boca Raton, FL 33431-1809

Dear Antonio Grau:

It is my pleasure to notify you that on February 20, 2020, the Florida Peer Review Committee accepted the report on the most recent System Review of your firm. The due date for your next review is December 31, 2022. This is the date by which all review documents should be completed and submitted to the administering entity.

As you know, the report had a peer review rating of pass. The Committee asked me to convey its congratulations to the firm.

Thank you for your cooperation.

Sincerely,  
*FICPA Peer Review Committee*

Peer Review Team  
FICPA Peer Review Committee  
paul@ficpa.org  
800-342-3197 ext. 251

Florida Institute of CPAs

cc: Daniel Hevia, Racquel McIntosh

Firm Number: 900004390114

Review Number: 571202



*SEVENTH ORDER OF BUSINESS*

**Anabelle Island**  
**Community Development District**

**Approved Budget**  
**FY 2022**



# **Anabelle Island**

## **Community Development District**

### **TABLE OF CONTENTS**

#### **General Fund**

Budget  
Narrative

Page 1-2

Page 3-8

**Anabelle Island**  
**Community Development District**  
**General Fund**  
Approved Operating Budget

<b>Description</b>	<b>Approved Budget FY 2022</b>
<b>Revenues</b>	
Developer Contributions	\$ 550,329
Special Assessments	\$ 54,798
<b>Total Revenues</b>	<b>\$ 605,127</b>
<b>Expenditures</b>	
<b>Administrative</b>	
Supervisors Fees	\$ 12,000
FICA Expense	\$ 918
Engineering	\$ 5,000
Attorney	\$ 12,000
Arbitrage	\$ 750
Assessment Roll	\$ 5,000
Dissemination Agent	\$ 3,500
Annual Audit	\$ 3,900
Trustee	\$ 6,500
Management Fees	\$ 45,000
Website Maintenance	\$ 1,250
Information Technology	\$ 1,800
Telephone	\$ 200
Postage	\$ 600
Insurance	\$ 6,550
Printing & Binding	\$ 250
Legal Advertising	\$ 2,500
Other Current Charges	\$ 500
Office Supplies	\$ 100
Dues, Licenses & Subscriptions	\$ 175
<b>Total Administrative</b>	<b>\$ 108,493</b>
<b>Field</b>	
Security- monitoring	\$ 45,000
Electric	\$ 1,500
Water & Sewer/Irrigation	\$ 30,000
Repairs & Maintenance	\$ 5,000
Landscape - Contract	\$ 61,977
Landscape - Contingency	\$ 5,000
Landscape - Pond Banks	\$ 39,000
Lake Maintenance	\$ 10,000
Irrigation Repairs	\$ 10,000
<b>Total Field</b>	<b>\$ 207,477</b>

**Anabelle Island**  
**Community Development District**  
**General Fund**  
Approved Operating Budget

<b>Description</b>	<b>Approved Budget FY 2022</b>
<u>Amenity</u>	
Insurance	\$ 30,000
Phone/Internet/Cable	\$ 3,000
Electric	\$ 16,000
Water/Irrigation	\$ 6,000
Gas	\$ 1,250
Refuse Service	\$ 2,500
Security Monitoring	\$ 11,497
Access Cards	\$ 2,500
Field Mgmt/Admin	\$ 20,000
Landscape - Contract	\$ 50,000
Fitness Equipment Lease (Sofitco)	\$ 17,500
Janitorial Maintenance	\$ 28,000
Janitorial Supplies	\$ 4,000
Pool Maintenance	\$ 12,900
Facility Maintenance	\$ 7,500
Repairs & Maintenance	\$ 4,310
Special Events	\$ 4,000
Fitness Center Repairs/Supplies	\$ 900
Office Supplies	\$ 1,000
ASCAP/BMI License Fees	\$ 500
Pest Control	\$ 800
Capital Outlay	\$ 15,000
Reserves	\$ 50,000
<b><u>Total Amenity Center</u></b>	<b>\$ 289,157</b>
<b><u>Total Expenditures</u></b>	<b>\$ 605,127</b>
<b><u>Excess Revenues/(Expenditures)</u></b>	<b>\$ -</b>

	<b>FY 2022</b>
Net Assessment	\$54,798
Gross Assessment	\$58,294
Per Unit net Assessments	\$782.83
Per Unit Gross Assessments	\$832.77
Homes Platted/Sold	70

**Anabelle Island**  
**Community Development District**  
General Fund Budget

**REVENUES:**

Assessments

The District will levy a non ad-valorem special assessment on all taxable property within the District to fund all of the General Operating Expenditures for the fiscal year. The assessment may either be invoiced directly to the property owner or placed on the Clay County Tax Roll.

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**EXPENDITURES:**

**Administrative:**

Supervisors Fees

Chapter 190, The Florida Statutes, allows each Board member to receive \$200 per meeting not to exceed \$4,800 per year per supervisor for the time devoted to District business and meetings.

FICA Expense

Represents the Employer's share of Social Security and Medicare taxes withheld from the Board of Supervisors checks.

Engineering

The District will be providing general engineering services to the District, e.g., attendance and preparation for monthly board meetings, review invoices, etc.

Attorney

The District's legal counsel, Hopping, Green & Sams will be providing general legal services to the District, i.e. attendance and preparation for monthly meetings, review operating & maintenance contracts, etc.

Arbitrage

The District is required to annually have an arbitrage rebate calculation on the District's Series Special Assessment Revenue Bonds.

Assessment Roll

The District has contracted with Governmental Management Services, LLC for the certification and collection of the District's annual maintenance and debt service assessments. Assessments on platted lots are collected by agreement with Clay County while unplatted assessments may be collected directly by District and/or by County Tax Collector.

**Anabelle Island**  
**Community Development District**  
General Fund Budget

Dissemination

The District has contracted with GMS, LLC to act as the Dissemination Agent for the District to prepare the Annual Disclosure Report required by the Security and Exchange Commission in order to comply with Rule 15(c)(2)-12(b)(5), which relates to additional reporting requirements for un-rated bond issues.

Annual Audit

The District is required annually to conduct an audit of its financial records.

Trustee Fees

The Trustee administers the District's Special Assessment Revenue Bonds. The amount represents the annual fee for the administration of the District's bond issue.

Management Fees

The District receives management, accounting and administrative services as part of a management agreement with Governmental Management Services, LLC ("GMS"). These services are further outlined in Exhibit "A" of the Management Agreement with GMS.

Website Maintenance

Represents the costs associated with monitoring and maintaining the District's website created in accordance with Chapter 189, Florida Statutes. These services include site performance assessments, security and firewall maintenance, updates, document uploads, hosting and domain renewals, website backups, etc.

Information Technology

Represents costs related to the District's information systems, which include but are not limited to video conferencing services, cloud storage services and servers, security, accounting software, etc.

Telephone

Telephone conference costs for District meetings, workshops and committee meetings.

Postage

Mailing of agenda packages, overnight deliveries, correspondence, etc.

Insurance

The District's General Liability & Public Officials Liability Insurance policy is with Florida Insurance Alliance. FIA specializes in providing insurance coverage to governmental agencies.

**Anabelle Island**  
**Community Development District**  
General Fund Budget

Printing & Binding

Printing and Binding agenda packages for board meetings, printing of computerized checks, stationary, envelopes, etc.

Legal Advertising

The District is required to advertise various notices for monthly Board meetings, public hearings etc. in a newspaper of general circulation.

Other Current Charges

Estimated bank charges and any other miscellaneous expenses that incurred during the year.

Office Supplies

Miscellaneous office supplies.

Dues, Licenses & Subscriptions

The District is required to pay an annual fee to the Department of Economic Opportunity for \$175. This is the only expense under this category for the District.

**Field:**

Security

Estimated maintenance costs of the security monitoring.

Electric

Estimated costs for electric billed to the District by Clay County Electric.

Water/Sewer/Irrigation

Estimated costs for irrigation by the district for water, sewer and irrigation.

Repairs and Maintenance

Any costs related to miscellaneous repairs and maintenance that occur during the fiscal year.

Landscape Maintenance

Estimated costs related to maintain the common areas of the District.



**Anabelle Island**  
**Community Development District**  
General Fund Budget

Landscape Contingency

Estimated costs for other landscape maintenance incurred by the District.

Landscape Pond Banks

Estimated costs to maintain ponds in the District.

Lake Maintenance

Estimated costs to maintain ponds throughout the District.

Irrigation Repairs

Estimated miscellaneous irrigation maintenance and repair costs.

**Amenity:**

Insurance

Estimated Property Insurance policy from Florida Insurance Alliance.

Phone/Internet/Cable

Estimated costs for phone, cable and internet in the Amenity Center.

Electric

Estimated costs for electric billed to the District by Clay County Electric.

Water/Irrigation

Estimated costs for irrigation by the district for water, sewer and irrigation.

Gas

The estimated cost for gas for firepit/grills.

Refuse Service

Estimated cost for refuse removal service.

Security Monitoring

Estimated maintenance costs of the security monitoring.

**Anabelle Island**  
**Community Development District**  
General Fund Budget

Access Cards

Entry cards are issued to all CDD residents for facility access.

Field Management

Estimated costs for onsite field management of contracts for District Services such as landscaping, amenity & pool facilities, lake maintenance, etc.

Fitness Equipment Rentals

The District has contracted with Sofitco to rent fitness equipment.

Janitorial Maintenance

Estimated costs for janitorial services for the Amenity Center.

Janitorial Supplies

Estimated costs for janitorial for janitorial supplies for Amenity Center.

Pool Maintenance

Estimated cost to maintain the Amenity swimming pools.

Facility Maintenance

Estimated cost for maintenance and repairs necessary for upkeep of the Amenity Center and common grounds area.

Repair and Maintenance

Any costs related to miscellaneous repairs and maintenance that occur during the fiscal year.

Special Events

Represents estimated costs for the District to host special events for the community through the Fiscal Year.

Fitness Center R&M

Estimated costs to provide maintenance and repairs necessary for upkeep of the Amenity Fitness Center.

Office Supplies

Office supplies for the Amenity Center.

**Anabelle Island**  
**Community Development District**  
General Fund Budget

ASCAP/BMI License Fees

Represent estimated costs for music licenses for Amenity Center.

Pest Control

The estimated costs for monthly pest control services.

Capital Outlay

Estimated costs of capital assets, such as equipment, goods and services, the benefits of which extend beyond the fiscal year that materially increase their value or useful life.

Reserves

Establishment of general reserve for operating capital and to fund future replacements.

*A.*

## RESOLUTION 2021-36

### THE ANNUAL APPROPRIATION RESOLUTION OF THE ANABELLE ISLAND COMMUNITY DEVELOPMENT DISTRICT RELATING TO THE ANNUAL APPROPRIATIONS AND ADOPTING THE BUDGET FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2021 AND ENDING SEPTEMBER 30, 2022; AUTHORIZING BUDGET AMENDMENTS; AND PROVIDING AN EFFECTIVE DATE.

**WHEREAS**, the District Manager has, prior to the fifteenth (15<sup>th</sup>) day in June 2021, submitted to the Board of Supervisors (“**Board**”) of the Anabelle Island Community Development District (“**District**”) a proposed budget (“**Proposed Budget**”) for the fiscal year beginning October 1, 2021 and ending September 30, 2022 (“**Fiscal Year 2021/2022**”) along with an explanatory and complete financial plan for each fund of the District, pursuant to the provisions of Section 190.008(2)(a), *Florida Statutes*; and

**WHEREAS**, at least sixty (60) days prior to the adoption of the Proposed Budget, the District filed a copy of the Proposed Budget with the local governing authorities having jurisdiction over the area included in the District pursuant to the provisions of Section 190.008(2)(b), *Florida Statutes*; and

**WHEREAS**, the Board set a public hearing thereon and caused notice of such public hearing to be given by publication pursuant to Section 190.008(2)(a), *Florida Statutes*; and

**WHEREAS**, the District Manager posted the Proposed Budget on the District’s website at least two days before the public hearing; and

**WHEREAS**, Section 190.008(2)(a), *Florida Statutes*, requires that, prior to October 1<sup>st</sup> of each year, the District Board, by passage of the Annual Appropriation Resolution, shall adopt a budget for the ensuing fiscal year and appropriate such sums of money as the Board deems necessary to defray all expenditures of the District during the ensuing fiscal year; and

**WHEREAS**, the District Manager has prepared a Proposed Budget, whereby the budget shall project the cash receipts and disbursements anticipated during a given time period, including reserves for contingencies for emergency or other unanticipated expenditures during the fiscal year.

### NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE ANABELLE ISLAND COMMUNITY DEVELOPMENT DISTRICT:

#### Section 1. Budget

- a. That the Board has reviewed the Proposed Budget, a copy of which is on file with the office of the District Manager and at the District’s Records Office, and hereby approves certain amendments thereto, as shown in Section 2 below.
- b. That Proposed Budget, attached hereto as **Exhibit “A,”** as amended by the Board, is

hereby adopted in accordance with the provisions of Section 190.008(2)(a), *Florida Statutes*, (“**Adopted Budget**”) and incorporated herein by reference; provided, however, that the comparative figures contained in the Adopted Budget may be subsequently revised as deemed necessary by the District Manager to reflect actual revenues and expenditures.

- c. That the Adopted Budget, as amended, shall be maintained in the office of the District Manager and at the District’s Local Records Office and identified as “The Budget for the Anabelle Island Community Development District for the Fiscal Year Ending September 30, 2022.”
- d. The final Adopted Budget shall be posted by the District Manager on the District’s official website within thirty (30) days after adoption and shall remain on the website for at least two years.

**Section 2. Appropriations**

There is hereby appropriated out of the revenues of the District, for the Fiscal Year 2021/2022, the sum of \$ \_\_\_\_\_ to be raised by the levy of assessments and/or otherwise, which sum is deemed by the Board to be necessary to defray all expenditures of the District during said budget year, to be divided and appropriated in the following fashion:

TOTAL GENERAL FUND	\$ _____
TOTAL ALL FUNDS	\$ _____

**Section 3. Budget Amendments**

Pursuant to Section 189.016, *Florida Statutes*, the District may, at any time within Fiscal Year 2021/2022 or within 60 days following the end of Fiscal Year 2021/2022 may amend its Adopted Budget for that fiscal year as follows:

- a. A line-item appropriation for expenditures within a fund may be decreased or increased by motion of the Board recorded in the minutes, and approving the expenditure, if the total appropriations of the fund do not increase.
- b. The District Manager or Treasurer may approve an expenditure that would increase or decrease a line-item appropriation for expenditures within a fund if the total appropriations of the fund do not increase and if either (i) the aggregate change in the original appropriation item does not exceed the greater of \$15,000 or 15% of the original appropriation, or (ii) such expenditure is authorized by separate disbursement or spending resolution.
- c. Any other budget amendments shall be adopted by resolution and consistent with Florida law.

The District Manager or Treasurer must establish that any amendments to the budget under paragraph c. above are posed to the District’s website within 5 days after adoption and remain on the website for at least two years.

**Section 4. Effective Date.** This Resolution shall take effect immediately upon adoption.

**PASSED AND ADOPTED THIS 10TH DAY OF AUGUST 2021.**

ATTEST:

**ANABELLE ISLAND COMMUNITY  
DEVELOPMENT DISTRICT**

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

By: \_\_\_\_\_  
Chairperson / Vice Chairperson

**Exhibit A:** Budget Fiscal Year 2021/2022

**Exhibit A**

Budget Fiscal Year 2021/2022



*EIGHTH ORDER OF BUSINESS*

*A.*

## RESOLUTION 2021-37

**A RESOLUTION OF THE BOARD OF SUPERVISORS OF ANABELLE ISLAND COMMUNITY DEVELOPMENT DISTRICT MAKING A DETERMINATION OF BENEFIT AND IMPOSING SPECIAL ASSESSMENTS FOR FISCAL YEAR 2021/2022; PROVIDING FOR THE COLLECTION AND ENFORCEMENT OF SPECIAL ASSESSMENTS; CERTIFYING AN ASSESSMENT ROLL; PROVIDING FOR AMENDMENTS TO THE ASSESSMENT ROLL; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, the Anabelle Island Community Development District (“**District**”) is a local unit of special-purpose government established pursuant to Chapter 190, *Florida Statutes*, for the purpose of providing, operating, and maintaining infrastructure improvements, facilities, and services to the lands within the District; and

**WHEREAS**, the District is located in Clay County, Florida (“**County**”); and

**WHEREAS**, the District has constructed or acquired various infrastructure improvements and provides certain services in accordance with the District’s adopted capital improvement plan and Chapter 190, *Florida Statutes*; and

**WHEREAS**, the Board of Supervisors (“**Board**”) of the District hereby determines to undertake various operations and maintenance and other activities described in the District’s budget (“**Adopted Budget**”) for the fiscal year beginning October 1, 2021 and ending September 30, 2022 (“**Fiscal Year 2021/2022**”), attached hereto as **Exhibit “A”** and incorporated by reference herein; and

**WHEREAS**, the District must obtain sufficient funds to provide for the operation and maintenance of the services and facilities provided by the District as described in the Adopted Budget; and

**WHEREAS**, the provision of such services, facilities, and operations is a benefit to lands within the District; and

**WHEREAS**, Chapter 190, *Florida Statutes*, provides that the District may impose special assessments on benefitted lands within the District; and

**WHEREAS**, it is in the best interests of the District to proceed with the imposition of the special assessments for operations and maintenance in the amount set forth in the Adopted Budget; and

**WHEREAS**, Chapter 197, *Florida Statutes*, provides a mechanism pursuant to which such special assessments may be placed on the tax roll and collected by the local tax collector

("Uniform Method"), and the District has previously authorized the use of the Uniform Method by, among other things, entering into agreements with the Property Appraiser and Tax Collector of the County for that purpose; and

**WHEREAS**, it is in the best interests of the District to adopt the Assessment Roll of the Anabelle Island Community Development District ("**Assessment Roll**") attached to this Resolution as **Exhibit "B"** and incorporated as a material part of this Resolution by this reference, and to certify the Assessment Roll to the County Tax Collector pursuant to the Uniform Method; and

**WHEREAS**, it is in the best interests of the District to permit the District Manager to amend the Assessment Roll, certified to the County Tax Collector by this Resolution, as the Property Appraiser updates the property roll for the County, for such time as authorized by Florida law.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE ANABELLE ISLAND COMMUNITY DEVELOPMENT DISTRICT:**

**SECTION 1. BENEFIT & ALLOCATION FINDINGS.** The Board hereby finds and determines that the provision of the services, facilities, and operations as described in **Exhibit "A"** confers a special and peculiar benefit to the lands within the District, which benefit exceeds or equals the cost of the assessments. The allocation of the assessments to the specially benefitted lands, as shown in **Exhibits "A" and "B,"** is hereby found to be fair and reasonable.

**SECTION 2. ASSESSMENT IMPOSITION.** Pursuant to Chapters 190 and 197, *Florida Statutes*, and using the procedures authorized by Florida law for the levy and collection of special assessments, a special assessment for operation and maintenance is hereby imposed and levied on benefitted lands within the District, and in accordance with **Exhibits "A" and "B."** The lien of the special assessments for operations and maintenance imposed and levied by this Resolution shall be effective upon passage of this Resolution. Moreover, pursuant to Section 197.3632(4), *Florida Statutes*, the lien amount shall serve as the "maximum rate" authorized by law for operation and maintenance assessments.

**SECTION 3. COLLECTION.** The collection of the operation and maintenance special assessments shall be at the same time and in the same manner as County taxes in accordance with the Uniform Method, as indicated on **Exhibits "A" and "B."** The decision to collect special assessments by any particular method – e.g., on the tax roll or by direct bill – does not mean that such method will be used to collect special assessments in future years, and the District reserves the right in its sole discretion to select collection methods in any given year, regardless of past practices.

**SECTION 4. ASSESSMENT ROLL.** The Assessment Roll, attached to this Resolution as **Exhibit "B,"** is hereby certified to the County Tax Collector and shall be collected by the County Tax Collector in the same manner and time as County taxes. The proceeds therefrom shall be paid to the District.

**SECTION 5. ASSESSMENT ROLL AMENDMENT.** The District Manager shall keep apprised of all updates made to the County property roll by the Property Appraiser after the date of this Resolution and shall amend the Assessment Roll in accordance with any such updates, for such time as authorized by Florida law, to the County property roll. After any amendment of the Assessment Roll, the District Manager shall file the updates in the District records.

**SECTION 6. SEVERABILITY.** The invalidity or unenforceability of any one or more provisions of this Resolution shall not affect the validity or enforceability of the remaining portions of this Resolution, or any part thereof.

**SECTION 7. EFFECTIVE DATE.** This Resolution shall take effect upon the passage and adoption of this Resolution by the Board.

**PASSED AND ADOPTED** this 10th day of August 2021.

ATTEST:

**ANABELLE ISLAND COMMUNITY  
DEVELOPMENT DISTRICT**

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Secretary / Assistant Secretary

---

Chairperson, Board of Supervisors

**Exhibit A:** Budget

**Exhibit B:** Assessment Roll

**Exhibit A**  
Budget

**Exhibit B**  
Assessment Roll

*B.*



**ANABELLE ISLAND COMMUNITY DEVELOPMENT DISTRICT  
FISCAL YEAR 2021/2022 BUDGET FUNDING AGREEMENT**

This Agreement (“**Agreement**”) is made and entered into this \_\_\_ day of August, 2022, by and between:

**Anabelle Island Community Development District**, a local unit of special-purpose government established pursuant to Chapter 190, *Florida Statutes*, and located in Clay County, Florida (“**District**”), and

**KB Home Jacksonville, LLC**, a Delaware limited liability company and the developer of the lands in the District (“**Developer**”) with a mailing address of 10475 Fortune Parkway, Suite 100, Jacksonville, Florida 32256.

**Recitals**

**WHEREAS**, the District was established by an ordinance adopted by the Board of County Commissioners of Clay County, Florida, for the purpose of planning, financing, constructing, operating and/or maintaining certain infrastructure; and

**WHEREAS**, the District, pursuant to Chapter 190, *Florida Statutes*, is authorized to levy such taxes, special assessments, fees and other charges as may be necessary in furtherance of the District’s activities and services; and

**WHEREAS**, Developer presently is developing the real property (“**Property**”) within the District, which Property will benefit from the timely construction and acquisition of the District’s facilities, activities and services and from the continued operations of the District; and

**WHEREAS**, the District is adopting its general fund budget for the fiscal year beginning October 1, 2021 and ending September 30, 2022 (“**Fiscal Year 2021/2022 Budget**”); and

**WHEREAS**, the Fiscal Year 2021/2022 Budget, which both parties recognize may be amended from time to time in the sole discretion of the District, is attached hereto and incorporated herein by reference as **Exhibit A**; and

**WHEREAS**, the District has the option of levying non-ad valorem assessments on all land, including the Property owned by the Developer, that will benefit from the activities, operations and services set forth in the FISCAL YEAR 2021/2022 Budget, or utilizing such other revenue sources as may be available to it; and

**WHEREAS**, in lieu of levying assessments on the Property, the Developer is willing to provide such funds as are necessary to allow the District to proceed with its operations as described in **Exhibit A**; and

**WHEREAS**, the Developer agrees that the activities, operations and services provide a special and peculiar benefit equal to or in excess of the costs reflected on **Exhibit A** to the Property; and

**WHEREAS**, the Developer has agreed to enter into this Agreement in lieu of having the District levy and collect any non-ad valorem assessments as authorized by law against the Property located within the District for the activities, operations and services set forth in **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.** The Developer agrees to make available to the District the monies necessary for the operation of the District, as called for in the Fiscal Year 2021/2022 Budget attached hereto as **Exhibit A**, within fifteen (15) days of written request by the District. Amendments to the Fiscal Year 2021/2022 Budget as shown on **Exhibit A** adopted by the District at a duly noticed meeting shall have the effect of amending this Agreement without further action of the parties. Funds provided hereunder shall be placed in the District's general checking account. In no way shall the foregoing in any way affect the District's ability to levy special assessments upon the property within the District, including the Property, in accordance with Florida law, to provide funds for any unfunded expenditures whether such expenditures are the result of an amendment to the District's Fiscal Year 2021/2022 Budget or otherwise. These payments are made by Developer in lieu of operation and maintenance assessments which might otherwise be levied or imposed by the District.

**SECTION 2.** The District shall have the right to file a continuing lien ("**Lien**") upon the Property described in **Exhibit B** for all payments due and owing under the terms of this Agreement and for interest thereon, and for reasonable attorneys' fees, paralegals' fees, expenses and court costs incurred by the District incident to the collection of funds under this Agreement or for enforcement of this Lien, and all sums advanced and paid by the District for taxes and payment on account of superior interests, liens and encumbrances in order to preserve and protect the District's Lien. The Lien shall be effective as of the date and time of the recording of a "Notice of Lien for the Fiscal Year 2021/2022 Budget" in the public records of Clay County, Florida, stating among other things, the description of the real property and the amount due as of the recording of the Notice, and the existence of this Agreement. The District Manager, in its sole discretion, is hereby authorized by the District to file the Notice of Lien for the Fiscal Year 2021/2022 Budget on behalf of the District, without the need of further Board action authorizing or directing such filing. At the District Manager's direction, the District may also bring an action at law against the record title holders to the Property to pay the amount due under this Agreement, or may foreclose the Lien against the Property in any manner authorized by law. The District may partially release any filed Lien for portions of the Property subject to a plat if and when the Developer has demonstrated, in the District's sole discretion, such release will not materially impair the ability of the District to enforce the collection of funds hereunder. In the event the Developer sells any of the Property described in **Exhibit B** after the execution of this Agreement, the Developer's rights and obligations under this Agreement shall remain the same, provided however that the District shall only have the right to file a Lien upon the remaining Property owned by the Developer.

**SECTION 3.** In the event Developer fails to make payments as and when due to the District pursuant to this Agreement, the District shall have the following remedies, in addition to other remedies available at law and equity:

**A.** At the Board's direction, the District may bring an action at law against the record title holder to the Property to pay the amount due under this Agreement, or may foreclose the Lien against the Property in any manner authorized by law. The District may enforce the collection of funds due under this Agreement by action against Developer in the appropriate judicial forum in and for Clay County, Florida. The enforcement of the collection of funds in this manner shall be in the sole discretion of the District Manager on behalf of the District.

**B.** The District hereby finds that the activities, operations and services set out in **Exhibit A** provide a special and peculiar benefit to the Property, which benefit is initially allocated on an equal developable acreage basis. Developer agrees that the activities, operations and services set forth in **Exhibit A** provide a special and peculiar benefit to the Property equal to or in excess of the costs set out in **Exhibit A**, on an equal developable acreage basis. Therefore, in the alternative, or in addition to the other methods of collection set forth in this Agreement, the District, in its sole discretion, may choose to certify amounts due hereunder as a non-ad valorem assessment on all or any part of the Property for collection, either through the Uniform Method of Collection set forth in Chapter 197, *Florida Statutes*, or under any method of direct bill and collection authorized by Florida law. Such assessment, if imposed, may be certified on the next available tax roll of the Clay County property appraiser. Developer hereby waives and/or relinquishes any rights it may have to challenge or object to such assessments if imposed, as well as the means of collection thereof.

**SECTION 4.** This instrument shall constitute the final and complete expression of the agreement between the parties relating to the subject matter of this Agreement. Amendments to and waivers of the provisions contained in this Agreement may be made only by an instrument in writing which is executed by both of the parties hereto.

**SECTION 5.** The execution of this Agreement has been duly authorized by the appropriate body or official of all parties hereto, each party has complied with all the requirements of law, and each party has full power and authority to comply with the terms and provisions of this instrument.

**SECTION 6.** This Agreement may be assigned, in whole or in part, by either party only upon the written consent of the other, which consent shall not be unreasonably withheld. In the event that Developer sells or otherwise disposes of its business or of all or substantially all of its assets relating to the lands within the District, including the Property, Developer will expressly require that the purchaser agree to be bound by the terms of this Agreement. In the event of such sale or disposition, Developer may place into escrow an amount equal to the then unfunded portion of the adopted Fiscal Year 2021/2022 Budget to fund any budgeted expenses that may arise during the remainder of the fiscal year and provide the District evidence of assignment of this Agreement to the purchaser. Upon confirmation of the deposit of said funds into escrow, and evidence of such assignment to, and assumption by the purchaser, the Developer's obligation under this Agreement

shall be deemed fulfilled and this Agreement terminated with respect to Developer's obligations. The parties hereto recognize that Developer is responsible for expenditures of the District in the Fiscal Year 2021/2022 Budget and that expenditures approved by the Board may exceed the amount adopted in the Fiscal Year 2021/2022 Budget. Developer shall notify the District in writing ninety (90) days prior to an anticipated sale or disposition of all or substantially all of the Property.

**SECTION 7.** A default by either party under this Agreement shall entitle the other to all remedies available at law or in equity, which shall include, but not be limited to, the right of damages, injunctive relief and specific performance and specifically including the ability of the District to enforce any and all payment obligations under this Agreement in the manner described in Paragraph 3 above.

**SECTION 8.** This Agreement is solely for the benefit of the parties hereto and no right or cause of action shall accrue upon or by reason hereof, to or for the benefit of any person or entity not a party hereto. Nothing in this Agreement expressed or implied is intended or shall be construed to confer upon any person or entity other than the parties hereto any right, remedy or claim under or by reason of this Agreement or any provisions or conditions hereof; and all of the provisions, representations, covenants and conditions herein contained shall inure to the sole benefit of and shall be binding upon the parties hereto and their respective representatives, successors and assigns subject to the terms of Paragraph 6 above.

**SECTION 9.** This Agreement and the provisions contained herein shall be construed, interpreted and controlled according to the laws of the State of Florida. Venue shall be in Clay County, Florida.

**SECTION 10.** This Agreement has been negotiated fully between the parties as an arm's length transaction. The parties participated fully in the preparation of this Agreement with the assistance of their respective counsel. In the case of a dispute concerning the interpretation of any provision of this Agreement, the parties are each deemed to have drafted, chosen and selected the language, and the doubtful language will not be interpreted or construed against any party.

**SECTION 11.** The Agreement shall be effective after execution by both parties hereto. The enforcement provisions of this Agreement shall survive its termination, until all payments due under this Agreement are paid in full.

**SECTION 12.** In the event that either party is required to enforce this Agreement by court proceedings or otherwise, then the parties agree that the substantially prevailing party shall be entitled to recover from the other all costs incurred, including reasonable attorneys' fees, paralegal fees and expert witness fees and costs for trial, alternative dispute resolution, or appellate proceedings.

*[Remainder of Page Intentionally Left Blank]*

IN WITNESS WHEREOF, the parties execute this Agreement the day and year first written above.

ATTEST:

**ANABELLE ISLAND COMMUNITY  
DEVELOPMENT DISTRICT**

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
Chairman, Board of Supervisors

**KB HOME JACKSONVILLE, LLC,**  
a Delaware limited liability company

\_\_\_\_\_  
Witness

\_\_\_\_\_  
By: \_\_\_\_\_  
Its: \_\_\_\_\_

**Exhibit A:** Fiscal Year 2021/2022 General Fund Budget  
**Exhibit B:** Description of the Property

**Exhibit A**

Fiscal Year 2021/2022 General Fund Budget

**Exhibit B**  
Description of the Property

A PORTION OF BLOCKS 2, 3, 15, 16 AND 19, FLORIDA FARMERS LAND COMPANY'S SUBDIVISION, AS RECORDED IN PLAT BOOK 1, PAGE 49, OF THE PUBLIC RECORDS OF CLAY COUNTY, FLORIDA, TOGETHER WITH THAT PORTION OF ALL PLATTED ROADS LYING BETWEEN OR ADJACENT TO THE AFORESAID BLOCKS (SAID PORTION OF PLATTED ROADS VACATED AND ABANDONED ACCORDING TO OFFICIAL RECORDS BOOK 1633, PAGE 1483, OF SAID PUBLIC RECORDS), AND A PORTION OF THE MOSES E. LEVY GRANT, SECTION 39, TOWNSHIP 5 SOUTH, RANGE 25 EAST, CLAY COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGIN AT AN INTERSECTION OF THE NORTHEASTERLY LINE OF LOT 9, SAID BLOCK 19, FLORIDA FARMERS LAND COMPANY'S SUBDIVISION, AND THE NORTHWESTERLY RIGHT-OF-WAY LINE OF COUNTY ROAD NO. C-739-B, ALSO KNOWN AS SANDRIDGE ROAD (AN 80 FOOT RIGHT-OF-WAY PER S.R.D. RIGHT-OF-WAY MAP SECTION NO. 71530-2603); THENCE NORTH 66°33'29" EAST, ALONG SAID RIGHT-OF-WAY LINE OF COUNTY ROAD NO. C-739-B, A DISTANCE OF 190.65 FEET; THENCE NORTH 66°19'49" EAST, CONTINUING ALONG SAID RIGHT-OF-WAY LINE, 538.26 FEET TO THE SOUTHWESTERLY LINE OF THOSE LANDS DESCRIBED AND RECORDED IN OFFICIAL RECORDS BOOK 4312, PAGE 1830 OF THE PUBLIC RECORDS OF SAID COUNTY; THENCE NORTH 42°25'05" WEST, ALONG LAST SAID LINE, AND ALONG THE SOUTHWESTERLY LINES OF THOSE LANDS DESCRIBED AND RECORDED IN OFFICIAL RECORDS BOOK 3891, PAGE 1670, OFFICIAL RECORDS BOOK 1693, PAGE 960 AND OFFICIAL RECORDS BOOK 4026, PAGE 355, ALL BEING OF THE PUBLIC RECORDS OF SAID COUNTY, A DISTANCE OF 2553.84 FEET; THENCE NORTH 47°38'56" EAST, ALONG THE NORTHWESTERLY LINE OF SAID OFFICIAL RECORDS BOOK 4026, PAGE 355, A DISTANCE OF 660.24 FEET TO THE NORTHWESTERLY LINE OF THOSE LANDS DESCRIBED AND RECORDED IN OFFICIAL RECORDS BOOK 732, PAGE 198 OF THE PUBLIC RECORDS OF SAID COUNTY; THENCE NORTH 47°37'20" EAST, ALONG LAST SAID LINE, 607.55 FEET TO THE SOUTHWESTERLY RIGHT-OF-WAY LINE OF COUNTY ROAD NO. C-209, ALSO KNOWN AS RUSSELL ROAD (AN 80 FOOT RIGHT-OF-WAY PER S.R.D. RIGHT-OF-WAY MAP SECTION NO. 71530-2602); THENCE NORTH 42°41'41" WEST, ALONG LAST SAID LINE, 153.79 FEET TO THE SOUTHEASTERLY LINE OF THOSE LANDS DESCRIBED AND RECORDED IN OFFICIAL RECORDS BOOK 2349, PAGE 1675 OF THE PUBLIC RECORDS OF SAID COUNTY; THENCE SOUTH 47°18'44" WEST, ALONG LAST SAID LINE, 345.00 FEET TO THE SOUTHWESTERLY LINE OF SAID LANDS; THENCE NORTH 42°41'16" WEST, ALONG LAST SAID LINE, 378.78 FEET TO THE NORTHWESTERLY LINE OF SAID OFFICIAL RECORDS BOOK 2349, PAGE 1675; THENCE NORTH 47°18'44" EAST, ALONG LAST SAID LINE, 344.95 FEET TO SAID SOUTHWESTERLY RIGHT-OF-WAY LINE OF COUNTY ROAD NO. C-209; THENCE NORTHWESTERLY, ALONG SAID RIGHT-OF-WAY LINE, RUN THE FOLLOWING THREE (3) COURSES AND DISTANCES: COURSE NO. 1: NORTH 42°41'41" WEST, 983.05 FEET TO THE POINT OF CURVATURE OF A CURVE LEADING NORTHWESTERLY; COURSE NO. 2: NORTHWESTERLY ALONG AND AROUND THE ARC OF SAID CURVE, CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 2251.83 FEET, AN ARC DISTANCE OF 1076.48 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF NORTH 56°23'23" WEST, 1066.25 FEET TO THE POINT OF TANGENCY OF SAID CURVE; COURSE NO. 3: NORTH 70°05'05" WEST 516.00 FEET TO THE SOUTHEASTERLY LINE OF THOSE LANDS DESCRIBED AND RECORDED IN OFFICIAL RECORDS BOOK 2171, PAGE 1730 OF THE PUBLIC RECORDS OF SAID COUNTY; THENCE SOUTH 47°47'36" WEST, ALONG LAST SAID LINE, 1189.26 FEET; THENCE SOUTH 42°12'24" EAST, 120.06 FEET; THENCE SOUTH 09°08'00" WEST, 96.05 FEET; THENCE SOUTH 47°47'36" WEST, 80.00 FEET; THENCE SOUTH 42°12'24" EAST, 130.00 FEET; THENCE SOUTH 49°53'12" WEST, 60.04 FEET; THENCE SOUTH 42°12'24" EAST, 122.40 FEET; THENCE SOUTH 16°36'35" EAST, 64.78 FEET; THENCE SOUTH 36°01'07" EAST, 138.50 FEET; THENCE SOUTH 58°26'04" WEST, 95.24 FEET; THENCE SOUTH 38°14'29" WEST, 74.40 FEET TO THE ARC OF A CURVE LEADING WESTERLY; THENCE WESTERLY, ALONG AND AROUND THE ARC OF SAID CURVE, CONCAVE SOUTHERLY, HAVING A RADIUS OF 30.00 FEET, AN ARC DISTANCE OF 41.14 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF SOUTH 87°43'32" WEST, 38.00 FEET TO THE POINT OF REVERSE CURVATURE OF A CURVE LEADING SOUTHWESTERLY; THENCE SOUTHWESTERLY, ALONG AND AROUND THE ARC OF SAID CURVE, CONCAVE NORTHWESTERLY, HAVING A RADIUS OF 348.87 FEET, AN ARC DISTANCE OF 130.61 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF SOUTH 59°09'37" WEST, 129.85 FEET TO THE POINT OF REVERSE CURVATURE OF A CURVE LEADING SOUTHERLY; THENCE SOUTHERLY, ALONG AND AROUND THE ARC OF SAID CURVE, CONCAVE EASTERLY, HAVING A RADIUS OF 30.00 FEET, AN ARC DISTANCE OF 70.73 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF SOUTH 02°20'24" WEST, 55.45 FEET TO THE POINT OF TANGENCY OF SAID CURVE; THENCE SOUTH 65°12'08" EAST, 62.20 FEET TO THE POINT OF CURVATURE OF A CURVE LEADING EASTERLY; THENCE EASTERLY, ALONG AND AROUND THE ARC OF SAID CURVE, CONCAVE NORTHERLY, HAVING A RADIUS OF 40.00 FEET, AN ARC DISTANCE OF 37.37 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF NORTH 88°01'54" EAST, 36.03 FEET TO THE POINT OF COMPOUND CURVATURE OF A CURVE LEADING NORTHEASTERLY; THENCE NORTHEASTERLY, ALONG AND AROUND THE ARC OF SAID CURVE, CONCAVE NORTHWESTERLY, HAVING A RADIUS OF 545.00 FEET, AN ARC DISTANCE OF 4.18 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF NORTH 61°02'45" EAST, 4.18 FEET; THENCE SOUTH 49°51'34" EAST, 211.28 FEET; THENCE SOUTH 61°12'10" EAST, 299.88 FEET; THENCE SOUTH 83°06'37" EAST, 200.11 FEET; THENCE NORTH 65°52'43" EAST, 177.12 FEET; THENCE NORTH 80°28'16" EAST, 129.28 FEET; THENCE NORTH 63°43'27" EAST, 169.60 FEET TO THE ARC OF A CURVE LEADING SOUTHEASTERLY; THENCE SOUTHEASTERLY, ALONG AND AROUND THE ARC OF SAID CURVE, CONCAVE NORTHEASTERLY, HAVING A RADIUS OF 555.00 FEET, AN ARC DISTANCE OF 13.96 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF SOUTH 30°26'52" EAST, 13.95 FEET TO THE POINT OF REVERSE CURVATURE OF A CURVE LEADING SOUTHERLY; THENCE SOUTHERLY, ALONG AND AROUND THE ARC OF SAID CURVE, CONCAVE WESTERLY, HAVING A RADIUS OF 345.00 FEET, AN ARC DISTANCE OF 474.54 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF SOUTH 08°14'12" WEST, 438.01 FEET TO THE POINT OF TANGENCY OF SAID CURVE; THENCE SOUTH 47°38'29" WEST, 48.95 FEET TO THE NORTHWESTERLY PROLONGATION OF THE AFORESAID NORTHEASTERLY LINE OF LOT 9; THENCE SOUTH 42°24'25" EAST, ALONG LAST SAID LINE AND ALONG SAID NORTHEASTERLY LINE OF LOT 9, A DISTANCE OF 3529.87 FEET TO THE POINT OF BEGINNING.

CONTAINING: 164.13 ACRES, MORE OR LESS.

*NINTH ORDER OF BUSINESS*



*A.*

**DRAFT**

**Anabelle Island Community  
Development District**

**Supplemental Special Assessment Methodology Report for  
the Series 2021 Capital Improvement Revenue Bonds**

**August 5, 2021**

**Prepared by**

**Governmental Management Services, LLC**

## Table of Contents

<b>1.0</b>	<b>Introduction</b>	
1.1	Executive Summary .....	3
1.2	Special Benefits and General Benefits .....	4
1.3	Requirements of a Valid Assessment Methodology .....	4
<b>2.0</b>	<b>The Series 2021 Capital Improvement Revenue Bonds</b>	
2.1	Development Plan Overview .....	4
2.2	Bond Description .....	5
<b>3.0</b>	<b>Assessment Allocation</b>	
3.1	Structure .....	5
3.2	Assessment Allocation .....	5
<b>4.0</b>	<b>True Up Mechanism</b> .....	6
<b>5.0</b>	<b>Assessment Rolls</b> .....	6
<b>6.0</b>	<b>Additional Stipulations.</b> .....	6
<b>7.0</b>	<b>Appendix</b>	
	Table 1 Development Program .....	7
	Table 2 Series 2021 Capital Improvement Revenue Bonds .....	8
	Table 3 Par Debt and Debt Service Assessments Series 2021 Capital Improvement Revenue Bonds .....	9
	Table 4 Assessment Roll Series 2021 Special Assessment Capital Improvement Revenue Bonds .....	10

Exhibit A Assessment Area - Legal description

**1.0 Introduction**

**1.1 Executive Summary**

**1.1.1 The District**

The Anabelle Island Community Development District (“Anabelle Island CDD” or “District”) is a local unit of special-purpose government organized and existing under Chapter 190, Florida Statutes. The District resides within the unincorporated area of Clay County and covers approximately 164.13 acres. The District is planned for 370 single family homes.

**1.1.2 Assessment Area**

Prior to platting, the Series 2021 Assessments (hereinafter defined) will initially be levied on an equal acreage basis over all 164.13 acres as identified in **Exhibit A** attached hereto. As lands are platted, the first platted lots will be assigned debt and related assessments based upon the front footage of each lot in accordance with **Table 1**. Based upon the anticipated sizing of the Series 2021 Bonds, it is anticipated that the Series 2021 Bonds will ultimately be secured by Series 2021 Assessments levied against the planned 370 single-family units.

The debt incurred by the District to fund the Improvements is allocated to the properties receiving special benefits on the basis of development intensity and density. The responsibility for the repayment of the District’s debt through assessments will ultimately be distributed in proportion to the special benefit peculiar to the land within the District, based on each of the equivalent residential unit (“ERU”) categories. For the purpose of determining the special benefit accruing to the lands within the District, the proposed improvement costs have been allocated based on each lot’s ERU factor. The proposed public infrastructure improvement costs have been allocated to each individual lot on an equal basis as such each lot has an ERU factor of 1.0. This is consistent with the Master Assessment Methodology report dated April 15, 2021.

## **1.2 Special Benefits and General Benefits**

Improvements undertaken by the District as described in the Anabelle Island Community Development District Master Engineer's Report, dated March 31, 2021 ("CIP") create special and peculiar benefits, different in kind and degree than general benefits, for properties within the District's borders as well as general benefits to the public at large.

As described in the Anabelle Island Community Development District's Master Engineers Report ("2021 Engineers Report") and the improvements described therein, the construction costs for the improvements comprising the CIP are anticipated to total \$24,215,400.

## **1.3 Requirements of a Valid Assessment Methodology**

Under Florida law, in order to be valid, special assessments must meet two requirements. The first requirement is that the properties assessed must receive a special benefit from the improvements paid for by the assessments. The second requirement is that the assessments must be fairly and reasonably allocated to the properties being assessed.

Florida law provides for a wide application of special assessment methodologies that meet these two characteristics of special assessments.

## **2.0 The Series 2021 Capital Improvement Revenue Bonds**

### **2.1 Development Plan - Overview**

The developer of the property within the District has defined the proposed lot sizes for the property. The land uses associated with the Series 2021 Bonds are described in **Table 1** (Appendix) ("Development Plan"). The Development Plan may change dependent upon future market conditions. The assessments securing the Series 2021 Bonds are expected to ultimately be levied on the lands planned to be developed into 370 single-family units within the District and are referred to herein as the "Series 2021 Assessments".

## **2.2 Bond Description**

The District intends to issue its Capital Improvement Revenue Bonds, Series 2021 (as herein described, the "Series 2021 Bonds"). The Series 2021 Bonds will be issued with a thirty-year term. The Series 2021 Bonds are estimated to have a par amount of \$6,700,000 with an average coupon interest rate of 3.625 %. See bond terms on **Table 2**.

## **3.0 Assessment Allocation**

### **3.1 Structure**

The debt required to finance the Phase A1 Project will initially be allocated to the 164.13 acres within the District and are ultimately expected to be allocated to the planned 370 single-family units. The total costs for the CIP are estimated at \$24,215,400. Proceeds of the Series 2021 Bonds will be utilized to acquire and/or construct a portion of the CIP in the approximate amount of \$5,932,766.

### **3.2 Assessment Allocation**

Based upon the CIP, the District's assessment consultant and underwriter determined the amount of bonds required to fund a portion of the infrastructure costs necessary for development within Phase 1A of the District.

The CIP consists of roadway improvements, stormwater management facilities, utility improvements, hardscape including entry features/signage, landscaping improvements, street lighting and recreation improvements.

Assessments securing the Series 2021 Bonds will initially be levied on 164.13 acres within the District and will be allocated assessments based on their ERU factors as described herein. As land continues to be developed and platted, the Series 2021 Assessments will be allocated on a first platted basis to developed and platted lots with an identifiable folio number. The Series 2021 Bonds are expected to be allocated to, and fully absorbed by all 370 single family lots planned within the District. See **Table 3** for the anticipated allocations.

#### **4.0 True – Up Mechanism**

In order to ensure that the District's debt will not build up on undeveloped and unplatted acres, and to ensure that the requirements for the non-ad valorem assessments to be constitutionally lienable on the property will continue to be met, the District shall implement the true-up mechanism set forth in this section.

To ensure that there will always be sufficient development potential in the undivided property to assure payment of debt service after plat approval, the par debt per acre remaining on the unplatted or unassigned land within the District will never allowed to increase above its maximum per acre level identified herein.

The Series 2021 Bonds are estimated to be issued at a par amount of \$6,700,000, which will be secured by the 2021 Assessments initially levied on all 164.13 acres in the District, but which are expected to be ultimately allocated to the planned 370 single family lots as described in **Table 1**. The maximum debt per acre is, therefore, \$40,821 for the Series 2021 Bonds. Therefore, at the time of platting, if only a portion of the District lands are platted, then the remaining unplatted developable acres within the District cannot exceed a per acre debt of \$40,821. If the remaining developable acres have debt in excess of \$40,821 per acre, a true-up payment will be due upon platting approval. If the entire parcel is platted and the assignment of debt to the platted lots is not sufficient to absorb the total debt, a true-up payment will be due upon platting approval.

#### **5.0 Assessment Roll**

An assessment roll on **Table 4** reflects the allocation of Series 2021 Assessments securing repayment of the Series 2021 Bonds is attached hereto showing all lands subject to the Series 2021 Assessments, including the lands to be developed into the anticipated 370 single-family lots.

#### **6.0 Additional Stipulations**

Certain financing, development, and engineering data was provided by members of District staff and/or the Developer. The allocation methodology described herein was based on information provided by those professionals. Governmental Management Services, LLC makes no representations regarding said information transactions beyond restatement of the factual information necessary for compilation of this report. For further information about the Bonds, please refer to the Master Trust Indenture and or the Second Supplemental Trust Indenture.

<b>Table 1</b> <b>Anabelle Island Community Development District</b> <b>Development Program Series 2021 Bonds</b>
---

<u>Land Use</u>	<u>2021 Units</u>	<u>ERU / lot</u>	<u>TOTAL ERU's</u>
<b>Product Type</b>			
40' lot	75	1	75
50' lot	295	1	295
<b>Sub Total</b>	<u>370</u>		<u>370</u>

**Prepared By: Governmental Management Services, LLC**



<b>Table 2</b> <b>Anabelle Island Community Development District</b> <b>Series 2021 Bonds - Estimated Sources and Uses of Funds</b>
---

<b><u>Sources:</u></b>	<b>2021</b>
Bond Proceeds - Par Amount	\$6,700,000
Premium	\$0
<b>Total Sources of Funds</b>	<b>\$6,700,000</b>

<b>Uses:</b>	
Construction Funds	\$5,932,766
Debt Service Reserve Fund - 1/2 MADS	\$185,000
Interest Reserve	\$273,234
Cost of Issuance	\$309,000
<b>Total Uses of Funds</b>	<b>\$6,700,000</b>

<b>Estimated Average Coupon Interest Rate</b>	3.63%
<b>Term</b>	30 years
<b>CAPI period (thru 11/1/21)</b>	2 months
<b>Debt Service Reserve Fund</b>	1/2 MADS

**Prepared By: Governmental Management Services, LLC**

**Table 3**  
**Anabelle Island Community Development District**  
**Par Debt and Debt Service Allocations Series 2021**  
**Capital Improvement Revenue Bonds**

<b>Land Use</b>		<b>Par Debt per Unit <u>2021 Bond</u></b>	<b>Total Par Debt <u>2021 Bond</u></b>	<b>2021 Bond Net per Unit Annual <u>Debt Service</u></b>	<b>2021 Bond Total Annual Net <u>Debt Service</u></b>	<b>2021 Bond Gross per Unit Annual <u>Debt Service (1)</u></b>
<b>Residential:</b>	<b><u>No. of Units</u></b>					
40' lot	75	\$18,108	\$1,358,108	\$1,000	\$75,000	\$1,064
50' lot	295	\$18,108	\$5,341,892	\$1,000	\$295,000	\$1,064
Total	<u>370</u>		<u>\$6,700,000</u>		<u>\$370,000</u>	

(1) Include 4% provision for early payment discount and 2% collection costs for Volusia County.

(2) Par debt and assessments for possible changes in developmentb plan units.

**Prepared By: Governmental Management Services, LLC**

**Table 4**  
**Anabelle Island Community Development District**  
**Assessment Roll Series 2021 Capital Improvement Revenue Bonds**

<b>Account #</b>	<b>Product Type</b>	<b>Asmnt Units</b>	<b>Annual Assessments</b>				<b>Total 2021 Bond Debt</b>
			<b>2021 Gross Asmnt Per Unit (1)</b>	<b>2021 Net Asmnt Per Unit</b>	<b>2021 Total Net Assessments</b>	<b>2021 Bond Debt Per Unit</b>	
	40'-49' lot	113	\$1,064	\$1,000	\$75,000	\$18,108	\$1,358,108
	50'-59' lot	82	\$1,064	\$1,000	\$295,000	\$18,108	\$5,341,892
	<b>Total</b>	<u>195</u>			<u>\$370,000</u>		<u>\$6,700,000</u>

(1) Gross assessment per unit includes 4% for early payment discount and 2% for Clay County collection costs.

(2) See Exhibit a for legal description of lands securing the 2021 Bonds.

**Prepared By: Governmental Management Services, LLC**

# Appendix A

## ANABELLE ISLAND COMMUNITY DEVELOPMENT DISTRICT

EXHIBIT 2A

CDD LEGAL  
DESCRIPTION

February 1, 2021

A PORTION OF BLOCKS 2, 3, 15, 16 AND 19, FLORIDA FARMERS LAND COMPANY'S SUBDIVISION, AS RECORDED IN PLAT BOOK 1, PAGE 40, OF THE PUBLIC RECORDS OF CLAY COUNTY, FLORIDA, TOGETHER WITH THAT PORTION OF ALL PLATTED ROADS LYING BETWEEN OR ADJACENT TO THE AFORESAID BLOCKS (SAID PORTION OF PLATTED ROADS VAGATED AND ABANDONED ACCORDING TO OFFICIAL RECORDS BOOK 1633, PAGE 1483, OF SAID PUBLIC RECORDS), AND A PORTION OF THE MOSES E. LEVY GRANT, SECTION 29, TOWNSHIP 5 SOUTH, RANGE 25 EAST, CLAY COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGIN AT AN INTERSECTION OF THE NORTHEASTERLY LINE OF LOT 9, SAID BLOCK 19, FLORIDA FARMERS LAND COMPANY'S SUBDIVISION, AND THE NORTHWESTERLY RIGHT-OF-WAY LINE OF COUNTY ROAD NO. C-729-B, ALSO KNOWN AS SACROGEE ROAD (AN 80 FOOT RIGHT-OF-WAY PER S.R.D. RIGHT-OF-WAY MAP SECTION NO. 71530-2603), THENCE NORTH 66°33'29" EAST, ALONG SAID RIGHT-OF-WAY LINE OF COUNTY ROAD NO. C-729-B, A DISTANCE OF 106.85 FEET; THENCE NORTH 66°19'49" EAST, CONTINUING ALONG SAID RIGHT-OF-WAY LINE, 539.26 FEET TO THE SOUTHWESTERLY LINE OF THOSE LANDS DESCRIBED AND RECORDED IN OFFICIAL RECORDS BOOK 4312, PAGE 1830 OF THE PUBLIC RECORDS OF SAID COUNTY; THENCE NORTH 42°25'05" WEST, ALONG LAST SAID LINE, AND ALONG THE SOUTHWESTERLY LINES OF THOSE LANDS DESCRIBED AND RECORDED IN OFFICIAL RECORDS BOOK 3891, PAGE 1670, OFFICIAL RECORDS BOOK 1683, PAGE 980 AND OFFICIAL RECORDS BOOK 4026, PAGE 355, ALL BEING OF THE PUBLIC RECORDS OF SAID COUNTY, A DISTANCE OF 2553.84 FEET; THENCE NORTH 47°58'56" EAST, ALONG THE NORTHWESTERLY LINE OF SAID OFFICIAL RECORDS BOOK 4026, PAGE 355, A DISTANCE OF 660.24 FEET TO THE NORTHWESTERLY LINE OF THOSE LANDS DESCRIBED AND RECORDED IN OFFICIAL RECORDS BOOK 132, PAGE 198 OF THE PUBLIC RECORDS OF SAID COUNTY; THENCE NORTH 47°37'20" EAST, ALONG LAST SAID LINE, 607.55 FEET TO THE SOUTHWESTERLY RIGHT-OF-WAY LINE OF COUNTY ROAD NO. C-209, ALSO KNOWN AS RUSSELL ROAD (AN 80 FOOT RIGHT-OF-WAY PER S.R.D. RIGHT-OF-WAY MAP SECTION NO. 71530-2602); THENCE NORTH 42°41'41" WEST, ALONG LAST SAID LINE, 153.70 FEET TO THE SOUTHEASTERLY LINE OF THOSE LANDS DESCRIBED AND RECORDED IN OFFICIAL RECORDS BOOK 2340, PAGE 1675 OF THE PUBLIC RECORDS OF SAID COUNTY; THENCE SOUTH 47°18'44" WEST, ALONG LAST SAID LINE, 345.00 FEET TO THE SOUTHWESTERLY LINE OF SAID LANDS; THENCE NORTH 42°41'10" WEST, ALONG LAST SAID LINE, 378.76 FEET TO THE NORTHWESTERLY LINE OF SAID OFFICIAL RECORDS BOOK 2340, PAGE 1675; THENCE NORTH 47°18'44" EAST, ALONG LAST SAID LINE, 344.95 FEET TO SAID SOUTHWESTERLY RIGHT-OF-WAY LINE OF COUNTY ROAD NO. C-209; THENCE NORTHWESTERLY, ALONG SAID RIGHT-OF-WAY LINE, RUN THE FOLLOWING THREE (3) COURSES AND DISTANCES: COURSE NO. 1, NORTH 42°41'41" WEST, 863.05 FEET TO THE POINT OF CURVATURE OF A CURVE LEADING NORTHWESTERLY; COURSE NO. 2, NORTHWESTERLY ALONG AND AROUND THE ARC OF SAID CURVE, CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 2256.83 FEET, AN ARC DISTANCE OF 1076.48 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF NORTH 56°21'23" WEST, 1066.25 FEET TO THE POINT OF TANGENCY OF SAID CURVE; COURSE NO. 3, NORTH 70°05'05" WEST 516.00 FEET TO THE SOUTHEASTERLY LINE OF THOSE LANDS DESCRIBED AND RECORDED IN OFFICIAL RECORDS BOOK 2171, PAGE 1730 OF THE PUBLIC RECORDS OF SAID COUNTY; THENCE SOUTH 47°47'36" WEST, ALONG LAST SAID LINE, 1189.26 FEET; THENCE SOUTH 42°12'24" EAST, 120.06 FEET; THENCE SOUTH 09°05'00" WEST, 95.04 FEET; THENCE SOUTH 47°47'36" WEST, 80.00 FEET; THENCE SOUTH 42°12'24" EAST, 130.00 FEET; THENCE SOUTH 49°23'12" WEST, 84.04 FEET; THENCE SOUTH 42°12'24" EAST, 122.40 FEET; THENCE SOUTH 16°36'35" EAST, 64.78 FEET; THENCE SOUTH 30°01'07" EAST, 138.50 FEET; THENCE SOUTH 56°28'04" WEST, 85.24 FEET; THENCE SOUTH 35°14'28" WEST, 74.40 FEET TO THE ARC OF A CURVE LEADING WESTERLY; THENCE WESTERLY, ALONG AND AROUND THE ARC OF SAID CURVE, CONCAVE SOUTHERLY, HAVING A RADIUS OF 30.00 FEET, AN ARC DISTANCE OF 0.14 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF SOUTH 87°43'32" WEST, 38.00 FEET TO THE POINT OF REVERSE CURVATURE OF A CURVE LEADING SOUTHWESTERLY; THENCE SOUTHWESTERLY, ALONG AND AROUND THE ARC OF SAID CURVE, CONCAVE NORTHWESTERLY, HAVING A RADIUS OF 148.87 FEET, AN ARC DISTANCE OF 130.81 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF SOUTH 59°09'37" WEST, 129.85 FEET TO THE POINT OF REVERSE CURVATURE OF A CURVE LEADING SOUTHERLY; THENCE SOUTHERLY, ALONG AND AROUND THE ARC OF SAID CURVE, CONCAVE EASTERLY, HAVING A RADIUS OF 30.00 FEET, AN ARC DISTANCE OF 70.23 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF SOUTH 02°20'24" WEST, 55.45 FEET TO THE POINT OF TANGENCY OF SAID CURVE; THENCE SOUTH 65°12'08" EAST, 62.20 FEET TO THE POINT OF CURVATURE OF A CURVE LEADING EASTERLY; THENCE EASTERLY, ALONG AND AROUND THE ARC OF SAID CURVE, CONCAVE NORTHERLY, HAVING A RADIUS OF 40.00 FEET, AN ARC DISTANCE OF 37.37 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF NORTH 69°01'54" EAST, 36.00 FEET TO THE POINT OF COMPOUND CURVATURE OF A CURVE LEADING NORTHEASTERLY; THENCE NORTHEASTERLY, ALONG AND AROUND THE ARC OF SAID CURVE, CONCAVE NORTHWESTERLY, HAVING A RADIUS OF 545.00 FEET, AN ARC DISTANCE OF 4.16 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF NORTH 61°02'45" EAST, 4.16 FEET; THENCE SOUTH 49°51'54" EAST, 211.28 FEET; THENCE SOUTH 61°12'10" EAST, 299.68 FEET; THENCE SOUTH 83°06'37" EAST, 200.11 FEET; THENCE NORTH 05°52'43" EAST, 177.12 FEET; THENCE NORTH 80°38'16" EAST, 129.28 FEET; THENCE NORTH 83°43'27" EAST, 168.60 FEET TO THE ARC OF A CURVE LEADING SOUTHEASTERLY; THENCE SOUTHEASTERLY, ALONG AND AROUND THE ARC OF SAID CURVE, CONCAVE NORTHEASTERLY, HAVING A RADIUS OF 555.00 FEET, AN ARC DISTANCE OF 13.05 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF SOUTH 30°26'52" EAST, 13.95 FEET TO THE POINT OF REVERSE CURVATURE OF A CURVE LEADING SOUTHERLY; THENCE SOUTHERLY, ALONG AND AROUND THE ARC OF SAID CURVE, CONCAVE WESTERLY, HAVING A RADIUS OF 345.00 FEET, AN ARC DISTANCE OF 474.54 FEET, SAID ARC BEING SUBTENDED BY A CHORD BEARING AND DISTANCE OF SOUTH 08°14'12" WEST, 438.01 FEET TO THE POINT OF TANGENCY OF SAID CURVE; THENCE SOUTH 47°36'29" WEST, 48.95 FEET TO THE NORTHWESTERLY PROLONGATION OF THE AFORESAID NORTHEASTERLY LINE OF LOT 9; THENCE SOUTH 42°24'25" EAST, ALONG LAST SAID LINE AND ALONG SAID NORTHWESTERLY LINE OF LOT 9, A DISTANCE OF 3529.87 FEET TO THE POINT OF BEGINNING.

CONTAINING: 184.13 ACRES, MORE OR LESS.

*C.*

## RESOLUTION 2021-38

**A RESOLUTION OF THE BOARD OF SUPERVISORS OF ANABELLE ISLAND COMMUNITY DEVELOPMENT DISTRICT SUPPLEMENTING ITS RESOLUTION 2021-28 BY AUTHORIZING THE ISSUANCE OF ITS ANABELLE ISLAND COMMUNITY DEVELOPMENT DISTRICT SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2021 IN A PRINCIPAL AMOUNT OF NOT EXCEEDING \$8,000,000 FOR THE PRINCIPAL PURPOSE OF ACQUIRING AND CONSTRUCTING ASSESSABLE IMPROVEMENTS; DELEGATING TO THE CHAIRMAN OR VICE CHAIRMAN OF THE BOARD OF SUPERVISORS OF THE DISTRICT, SUBJECT TO COMPLIANCE WITH THE APPLICABLE PROVISIONS HEREOF, THE AUTHORITY TO AWARD THE SALE OF SUCH 2021 BONDS TO MBS CAPITAL MARKETS, LLC, BY EXECUTING AND DELIVERING TO SUCH UNDERWRITER A BOND PURCHASE AGREEMENT AND APPROVING THE FORM THEREOF; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION OF THE FIRST SUPPLEMENTAL TRUST INDENTURE; APPOINTING U.S. BANK NATIONAL ASSOCIATION AS THE TRUSTEE, BOND REGISTRAR AND PAYING AGENT FOR SUCH 2021 BONDS; MAKING CERTAIN FINDINGS; APPROVING FORM OF SAID 2021 BONDS; APPROVING THE FORM OF THE PRELIMINARY LIMITED OFFERING MEMORANDUM AND AUTHORIZING THE USE BY THE UNDERWRITER OF THE PRELIMINARY LIMITED OFFERING MEMORANDUM AND THE LIMITED OFFERING MEMORANDUM AND THE EXECUTION OF THE LIMITED OFFERING MEMORANDUM; APPROVING THE FORM OF THE CONTINUING DISCLOSURE AGREEMENT AND AUTHORIZING THE EXECUTION THEREOF; AUTHORIZING CERTAIN OFFICIALS OF ANABELLE ISLAND COMMUNITY DEVELOPMENT DISTRICT AND OTHERS TO TAKE ALL ACTIONS REQUIRED IN CONNECTION WITH THE ISSUANCE, SALE AND DELIVERY OF SAID 2021 BONDS; PROVIDING CERTAIN OTHER DETAILS WITH RESPECT TO SAID 2021 BONDS; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, Anabelle Island Community Development District (the “District”) is authorized by Florida Statutes, Chapter 190 (the “Act”) and Ordinance 2021-10 enacted by the Board of County Commissioners of Clay County, Florida on March 23, 2021, and effective as of March 25, 2021 (the “Ordinance”), to issue its bonds for the purpose of acquiring and constructing assessable improvements all as provided in the Act and the Ordinance; and

**WHEREAS**, the District is authorized by the Act to make payments of principal, interest, and premium, if any, with respect to its bonds by levying and collecting special assessments on property located within the District and specially benefited by the assessable improvements to be financed with certain proceeds of its bonds; and

**WHEREAS**, the District pursuant to its Resolution 2021-28 adopted on April 6, 2021 (the “Bond Resolution”) authorized the issuance of its not exceeding \$31,240,000 principal amount of its special assessment revenue bonds (the “Bonds”) in separate series for the purposes set forth in said First Resolution and approved the form of the Master Indenture (hereinafter defined) in substantially the form attached to the Bond Resolution; and

**WHEREAS**, the District has not previously issued any Bonds; and

**WHEREAS**, the District has petitioned the Circuit Court of the Fourth Judicial Circuit in and for Clay County Florida (“Court”) for validation of the Bonds and related special assessments, a hearing has been scheduled in the matter, and assuming the Court validates the Bonds, a certificate of no appeal from such final judgment will have been entered prior to the issuance of the 2021 Bonds (defined below); and

**WHEREAS**, contingent upon the Court’s validation of the Bonds, the District now desires to supplement the Bond Resolution, to authorize the issuance of and award the sale of its Special Assessment Revenue Bonds, Series 2021 (the “2021 Bonds”) in a principal amount not exceeding \$8,000,000, to approve the Supplemental Indenture (hereinafter defined) and to provide for various other matters relating to the issuance of the 2021 Bonds; and

**WHEREAS**, the Board of Supervisors of the District (the “Board”) has received from MBS Capital Markets, LLC (the “Underwriter”) a proposal in the form of a Bond Purchase Agreement (the “Contract”) for the purchase of the 2021 Bonds and the Board has determined that acceptance of such proposal and the sale of the 2021 Bonds to the Underwriter is in the best interest of the District for the reasons hereafter indicated;

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

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

**SECTION 2. Authorization.** There is hereby authorized to be issued the 2021 Bonds in a principal amount not exceeding \$8,000,000. The 2021 Bonds shall be issued under and secured by that Master Trust Indenture in substantially the form approved by the Bond Resolution (the “Master Indenture”) as supplemented by that First Supplemental Trust Indenture (the “Supplemental Indenture”) both by and between the District and U.S. Bank National Association, as trustee (the “Trustee”) (the Master Indenture and the Supplemental Indenture are referred to collectively as the “Indenture”). The proceeds of the 2021 Bonds shall be used for the purposes set forth in the Supplemental Indenture and the Limited Offering Memorandum (hereinafter defined).

**SECTION 3. Approval of Supplemental Indenture.** The Supplemental Indenture is hereby approved in substantially the form set forth as part of **Exhibit A** hereto and the Chairman or the Vice Chairman of the Board are hereby authorized and directed to execute and deliver such Supplemental Indenture on behalf of and in the name of the District and the Secretary or any Assistant Secretary of the Board is hereby authorized to attest such execution, with such additions

and deletions therein as may be made and approved by the Chairman or the Vice Chairman executing the same, such execution to be conclusive evidence of such approval. The Trustee is hereby appointed to serve as Trustee, Bond Registrar and Paying Agent under such Supplemental Indenture.

**SECTION 4. Negotiated Sale.** The Board hereby determines that a negotiated sale of the 2021 Bonds to the Underwriter is in the best interest of the District because of prevailing market conditions, because delays caused by soliciting competitive bids could adversely affect the District's ability to issue and deliver the 2021 Bonds at presently favorable interest rates, and because the nature of the security for the 2021 Bonds and the sources of payment of debt service on the 2021 Bonds require the participation of an underwriter in structuring the bond issue.

**SECTION 5. Contract Approved.** The Board hereby approves the Contract submitted by the Underwriter in substantially the form attached as **Exhibit B** hereto. The Chairman or Vice Chairman of the Board is hereby authorized to execute the Contract and to deliver the Contract to the Underwriter with such changes, amendments, modifications, omissions and additions as may be approved by the executing Chairman or Vice Chairman; provided that (i) the principal amount of the 2021 Bonds shall not exceed \$8,000,000; (ii) the interest rate on the 2021 Bonds will not exceed the maximum interest rate allowed under applicable Florida law without regard to any waiver of such maximum rate; (iii) the Underwriter's discount shall not exceed two percent (2.0%) of the principal amount of the 2021 Bonds; (iv) the 2021 Bonds shall be subject to optional redemption no later than May 1, 2033 at a Redemption Price not in excess of 100% of the principal amount to be redeemed plus accrued interest to the redemption date; and (v) the final maturity of the 2021 Bonds shall be no later than May 1, 2053, or as provided by law.

**SECTION 6. Preliminary Limited Offering Memorandum and Limited Offering Memorandum.** The District hereby approves the Preliminary Limited Offering Memorandum in substantially the form attached hereto as **Exhibit C** (the "Preliminary Limited Offering Memorandum") and authorizes its distribution and use by the Underwriter in connection with the offering for the sale of the 2021 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 including but not limited to the inclusion of a Supplemental Assessment Report and Supplemental Engineer's Report as appendices thereto, the Chairman or Vice Chairman is hereby authorized to approve such insertions, changes and modifications, and, the Chairman or Vice Chairman is hereby authorized to deem the Preliminary Limited Offering Memorandum "final" within the meaning of Rule 15c2-12 of the Securities and Exchange Commission (the "Rule") under the Securities Exchange Act of 1934, in the form as mailed and in furtherance thereof to execute a certificate evidencing same. The preparation of a final Limited Offering Memorandum is hereby approved and the Chairman or Vice Chairman is hereby authorized to execute such final Limited Offering Memorandum to be dated the date of the award of the 2021 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 2021 Bonds. The Limited Offering Memorandum shall be substantially in the form of the final Preliminary Limited Offering Memorandum, with such changes as shall be approved by the Chairman or Vice Chairman as necessary to conform to the details of the 2021 Bonds and such other insertions, modifications and changes as may be approved by the Chairman or Vice Chairman. The execution and delivery of the Limited Offering Memorandum by the Chairman or



Vice Chairman shall constitute evidence of the approval thereof. The District hereby authorizes the use of the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum and the information contained therein in connection with the offering and sale of the 2021 Bonds.

**SECTION 7. Form of 2021 Bonds.** The 2021 Bonds shall be in substantially the form as set forth in the exhibit to the Supplemental Indenture, with such additions, deletions and other changes thereto as the officials of the Board executing the 2021 Bonds shall approve, such approval to be conclusively evidenced by the execution of the 2021 Bonds (by manual or facsimile signature) by such officials. The Board hereby authorizes and approves the use of a facsimile of the District seal on the 2021 Bonds.

**SECTION 8. Continuing Disclosure Agreement.** The form and content of the Continuing Disclosure Agreement (the “Disclosure Document”) relating to the 2021 Bonds attached hereto as **Exhibit D** is hereby approved. The Chairman or Vice Chairman and the Secretary or any Assistant Secretary are hereby authorized to execute on behalf of the District the Disclosure Document in substantially the form attached hereto, with such additions, deletions, and other changes as may be necessitated by applicable law, this Resolution and the Contract as such officers may approve (such approval to be conclusively evidenced by their execution of the Disclosure Document).

**SECTION 9. Open Meetings.** It is hereby found and determined that all official acts of this Board concerning and relating to the issuance, sale, and delivery of the 2021 Bonds, including but not limited to adoption of this Resolution, were taken in open meetings of the members of the Board and all deliberations of the members of the Board that resulted in such official acts were in meetings open to the public, in compliance with all legal requirements including, but not limited to, the requirement of Florida Statutes, Section 286.011.

**SECTION 10. Other Actions.** The Chairman, the Vice Chairman, the Secretary, any Assistant Secretary and the District Manager of the District, and any authorized designee thereof (collectively, the “District Officers”), Akerman LLP, as Bond Counsel, KE Law Group.PLLC, the District’s General Counsel, and any other consultant or experts retained by the District, are hereby authorized and directed to take all actions necessary or desirable in connection with the issuance and delivery of the 2021 Bonds and the consummation of all transactions in connection therewith. The District Officers are hereby authorized and directed to execute all necessary or desirable certificates, documents, papers, and agreements necessary to the undertaking and fulfillment of all transactions referred to in or contemplated by the Supplemental Indenture, the Preliminary Limited Offering Memorandum, the Limited Offering Memorandum, this Resolution, the Disclosure Document and the Contract including but not limited to certain agreements and documents with the Developer required by the Contract.

**SECTION 11. Other Agreements and Reports.** The District hereby authorizes and approves the execution and delivery by the District Officers of such completion agreements, acquisition agreements, assessment true-up agreements, collateral assignments of contract rights and other agreements and instruments, between the District and the owners or developers of lands within the District as shall be necessary or desirable in connection with the issuance and delivery of the Series 2021 Bonds and the consummation of all transactions in connection therewith. Such agreements shall be in substantially the form presented to this meeting or on file with the Secretary,

or subsequently prepared and approved by District Counsel, with such changes therein as shall be approved by the District Officers executing or accepting delivery of the same, with such execution or acceptance to constitute conclusive evidence of such officer's approval and the District's approval of any changes therein. The District further hereby authorizes and approves preparation, revision and approval by the District Officers, District Engineer, District Manager and Counsel to the District of such engineering, assessment and other reports and supplements thereto as shall be necessary or desirable in connection with the marketing, sale, issuance and delivery of the Series 2021 Bonds and the consummation of all transactions in connection therewith.

**SECTION 12. Approval of Prior Actions.** All actions taken to date by the members of the Board and the officers, agents, and employees of the District in furtherance of the issuance of the Bonds are hereby approved, confirmed and ratified.

**SECTION 13. Inconsistent Resolutions and Motions.** All prior resolutions of the Board inconsistent with the provisions of this Resolution are hereby modified, supplemented and amended to conform with the provisions herein contained and, except as so modified, supplemented and amended hereby, shall remain in full force and effect.

**SECTION 14. Contingency on Validation.** All approvals and authorizations herein are contingent upon the Court's validation of the Bonds.

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

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

ADOPTED this 10<sup>th</sup> day of August, 2021.

**ANABELLE ISLAND COMMUNITY  
DEVELOPMENT DISTRICT**

By: \_\_\_\_\_  
Chairman[SEAL]

Attest:

By: \_\_\_\_\_  
Secretary

Exhibits

- A- Supplemental Indenture
- B-Bond Purchase Contract
- C-Preliminary Limited Offering Memorandum
- D-Continuing Disclosure Agreement

**FIRST SUPPLEMENTAL TRUST INDENTURE**  
**BETWEEN**  
**ANABELLE ISLAND COMMUNITY DEVELOPMENT DISTRICT**  
**AND**  
**U.S. BANK NATIONAL ASSOCIATION,**  
**AS TRUSTEE**

**Dated as of September 1, 2021**

## TABLE OF CONTENTS

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

<b>ARTICLE I DEFINITIONS.....</b>	<b>3</b>
Section 101. Definitions.....	3
<b>ARTICLE II AUTHORIZATION, ISSUANCE AND PROVISIONS OF SERIES 2021 BONDS.....</b>	<b>7</b>
Section 201. Authorization of Series 2021 Bonds; Book-Entry Only Form .....	7
Section 202. Terms of Series 2021 Bonds .....	8
Section 203. Dating; Interest Accrual .....	8
Section 204. Denominations .....	8
Section 205. Paying Agent.....	8
Section 206. Bond Registrar .....	8
Section 207. Conditions Precedent to Issuance of Series 2021 Bonds .....	9
Section 208. Continuing Disclosure .....	10
<b>ARTICLE III REDEMPTION AND PURCHASE OF SERIES 2021 BONDS .....</b>	<b>10</b>
<b>ARTICLE IV DEPOSIT OF SERIES 2021 BOND PROCEEDS AND APPLICATION THEREOF;     ESTABLISHMENT OF ACCOUNTS AND OPERATION THEREOF .....</b>	<b>10</b>
Section 401. Establishment of Accounts .....	10
Section 402. Use of Series 2021 Bond Proceeds .....	11
Section 403. Acquisition and Construction Fund .....	11
Section 404. Costs of Issuance Account .....	12
Section 405. 2021 Reserve Account .....	12
Section 406. Application of Prepayment Principal; 2021 Prepayment Account .....	12
Section 407. Tax Covenants and Rebate Account .....	13
Section 408. Establishment of 2021 Revenue Account in Revenue Fund; Application of Series 2021 Accounts and Investment Earnings.....	13
<b>ARTICLE V CONCERNING THE TRUSTEE.....</b>	<b>16</b>
Section 501. Acceptance by Trustee .....	16
Section 502. Limitation of Trustee’s Responsibility .....	16
Section 503. Trustee’s Duties .....	16
Section 504. Brokerage Confirmations.....	16
Section 505. Patriot Act Requirements of Trustee.....	16
<b>ARTICLE VI MISCELLANEOUS.....</b>	<b>16</b>
Section 601. Confirmation of Master Indenture .....	16
Section 602. Additional Covenant Regarding 2021 Special Assessments .....	16
Section 603. Limitation on Additional Debt.....	17
Section 604. Additional Matters Relating to Delinquent Assessments .....	17

Section 605.	Additional Matters Relating to 2021 Special Assessments and Assessment Proceedings .....	18
Section 606.	Provisions relating to Bankruptcy or Insolvency of Landowner .....	18
Section 607.	Assignment of Collateral Assignment .....	20
Section 608.	Third Party Beneficiaries .....	20
Section 609.	Enforcement of True-Up Agreement and Completion Agreement.....	20
<b>Exhibit “A”</b>	Series 2021 Bond Form	
<b>Exhibit “B”</b>	Requisition for Series 2021 Bonds (Acquisition and Construction)	
<b>Exhibit “C”</b>	Description of Capital Improvement Program and 2021 Project	

## **FIRST SUPPLEMENTAL TRUST INDENTURE**

**THIS FIRST SUPPLEMENTAL TRUST INDENTURE** (the “First Supplemental Indenture”) dated as of September 1, 2021, from **ANABELLE ISLAND COMMUNITY DEVELOPMENT DISTRICT** (the “District”) to **U.S. BANK NATIONAL ASSOCIATION**, as trustee (the “Trustee”), a national banking association authorized to accept and execute trusts of the character herein set out within the State of Florida. All capitalized terms not otherwise defined herein shall have the meaning ascribed thereto in the Master Indenture (hereinafter defined).

**WHEREAS**, the District has entered into a Master Trust Indenture dated as of September 1, 2021 (the “Master Indenture”), with the Trustee to secure the issuance of its Anabelle Island Community Development District Special Assessment Revenue Bonds (the “Bonds”), issuable in one or more Series from time to time; and

**WHEREAS**, pursuant to Resolution 2021-28 adopted by the Board of the District on April 26, 2021 (the “Bond Resolution”), the District has authorized the issuance of its not exceeding \$31,240,000 Anabelle Island Community Development District Special Assessment Revenue Bonds, in one or more Series, and authorized the execution and delivery of the Master Indenture to secure the issuance of the Bonds; and

**WHEREAS**, the Bonds were validated by the Circuit Court of the Fourth Judicial Circuit of the State of Florida in and for Clay County, Florida in a final judgment rendered on August 17, 2021 and the appeal period from such final judgment has expired with no appeal being taken; and

**WHEREAS**, the District has not previously issued any Bonds; and

**WHEREAS**, the Board of the District has duly adopted resolutions pursuant to Sections 170.03, 170.07 and 170.08, Florida Statutes, providing for the acquisition, construction and installation of certain public infrastructure improvements more particularly described in Exhibit C hereto (the “Capital Improvement Program” or “CIP”), defining the portion of the Cost of the Capital Improvement Program with respect to which Special Assessments will be imposed and the manner in which such Special Assessments shall be levied against such benefited property within the District, directing the preparation of an assessment roll calling for a public hearing of the District at which owners of property to be subject to the Special Assessments may be heard as to the propriety and advisability of undertaking the Capital Improvement Program, as to the cost thereof, the manner of payment therefor, and the amount to be assessed against each property improved by the Capital Improvement Program, and stating the intent of the District to issue Bonds secured by Special Assessments to finance a portion of the costs of the acquisition and construction of the Capital Improvement Program, and the Board of the District has duly adopted a resolution, following a public hearing conducted in accordance with the Act, to fix and establish the Special Assessments and the benefited property, as supplemented with respect to the Series 2021 Bonds (collectively the “Assessment Resolution”); and

**WHEREAS**, pursuant to the Bond Resolution, as supplemented by District Resolution 2021-\_\_ the District has authorized the issuance, sale and delivery of its \$\_\_\_\_\_ Anabelle Island Community Development District Special Assessment Revenue Bonds, Series 2021 (the

“Series 2021 Bonds”) as a Series of Bonds under the Master Indenture and authorized the execution and delivery of this First Supplemental Indenture (collectively with the Master Indenture, the “Indenture”) to secure the issuance of the Series 2021 Bonds and to set forth the terms of the Series 2021 Bonds; and

**WHEREAS**, the District will apply the proceeds of the Series 2021 Bonds to: (i) finance a portion of the Cost of acquisition, construction, installation and equipping of the Capital Improvement Program, with such funded portion being referred to herein as the “2021 Project”; (ii) pay certain costs associated with the issuance of the Series 2021 Bonds; (iii) to pay a portion of the interest accruing on the Series 2021 Bonds; and (iv) fund the 2021 Reserve Account as herein provided; and

**WHEREAS**, the execution and delivery of the Series 2021 Bonds and of this First Supplemental Indenture have been duly authorized by the Board of the District and all things necessary to make the Series 2021 Bonds, when executed by the District and authenticated by the Trustee, valid and binding legal obligations of the District and to make this First Supplemental Indenture a valid and binding agreement and, together with the Master Indenture, a valid and binding lien on the 2021 Trust Estate (as hereinafter defined) have been done;

**NOW THEREFORE, KNOW ALL MEN BY THESE PRESENTS, THIS FIRST 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 2021 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 2021 Bonds Outstanding from time to time, according to their tenor and effect, and such other payments required to be made under the Master Indenture or hereunder, and to further secure the observance and performance by the District of all the covenants, expressed or implied in the Master Indenture, in this First Supplemental Indenture and in the Series 2021 Bonds: (a) has executed and delivered this First Supplemental Indenture and (b) does hereby, grant, bargain, sell, convey, transfer, assign and pledge unto the Trustee, and unto its successors in interest the trusts 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, all revenues derived by the District from the 2021 Special Assessments levied and imposed pursuant to the Assessment Proceedings as the same may be amended from time to time (as further defined herein, the “2021 Pledged Revenues”) and the Funds and Accounts (except for the 2021 Rebate Account and the 2021 Costs of Issuance Account) established hereby (the “2021 Pledged Funds” and collectively with the “2021 Pledged Revenues,” the “2021 Trust Estate”) which shall comprise the Trust Estate securing only the Series 2021 Bonds;

**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 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 Master Indenture set forth for the equal and proportionate benefit, security and protection of all and singular the present and future Owners of the Series 2021 Bonds issued or to be issued under and secured by this First Supplemental Indenture, without preference, priority or distinction as to lien or otherwise, of any Series 2021 Bond over any other Series 2021 Bond by reason of priority in their issue, sale or execution;

**PROVIDED HOWEVER**, that if the District, its successors or assigns, shall well and duly pay, or cause to be paid, or make due provision for the payment of the principal and Redemption Price of the Series 2021 Bonds or any Series 2021 Bond secured and Outstanding under this First Supplemental Indenture and the interest due or to become due thereon, at the times and in the manner mentioned in the Series 2021 Bonds and this First 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 First 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 provision of the Master Indenture and this First Supplemental Indenture, then upon such final payments, this First Supplemental Indenture and the rights hereby granted shall cease and terminate, with respect to all Series 2021 Bonds or any Series 2021 Bond of a particular maturity, otherwise this First Supplemental Indenture shall remain in full force and effect;

**THIS FIRST SUPPLEMENTAL INDENTURE FURTHER WITNESSETH**, and it is expressly declared, that all Series 2021 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 First Supplemental Indenture), including this First 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 2021 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 any document, including any and all amendments thereto, pursuant to which the Developer conveys to the District any portion of the 2021 Project.



“Amortization Installments” shall mean the moneys required to be deposited in the 2021 Sinking Fund Account within the Debt Service Fund for the purpose of redeeming and paying when due any Term Bonds.

“Assessment Interest” shall mean the interest on 2021 Special Assessments received by the District which is pledged to the Series 2021 Bonds, other than Delinquent Assessment Interest.

“Assessment Principal” shall mean the principal amount of 2021 Special Assessments received by the District which are pledged to the Series 2021 Bonds, other than Delinquent Assessment Principal and Prepayment Principal.

“Assessment Proceedings” shall mean the proceedings of the District with respect to the establishment, levy and collection of the 2021 Special Assessments, including the Assessment Resolution and any supplemental proceedings undertaken by the District with respect to the 2021 Special Assessments.

“Beneficial Owner” shall mean the owners from time to time of the Series 2021 Bonds for federal income tax purposes.

“Bond Depository” shall mean the securities depository existing from time to time under Section 201 hereof.

“Bond Participants” shall mean those broker-dealers, banks and other financial institutions from time to time for which the Bond Depository holds Series 2021 Bonds as securities depository.

“Collateral Assignment” shall mean the Collateral Assignment and Assumption of Development Rights relating to the 2021 Project, dated September \_\_, 2021, between the District and the Developer, as may be amended from time to time.

“Completion Agreement” shall mean the Completion Agreement, dated September \_\_, 2021, between the Developer and the District, as may be amended from time to time.

“Continuing Disclosure Agreement” shall mean the Continuing Disclosure Agreement, dated September \_\_, 2021, between the District and the Developer and joined in by the Trustee and Dissemination Agent (as defined therein), as originally executed and as it may be amended from time to time in accordance with the terms thereof.

“Delinquent Assessment Interest” shall mean Assessment Interest deposited with the Trustee after the date on which such Assessment Interest has become due and payable in accordance with applicable law or proceedings of the District.

“Delinquent Assessment Principal” shall mean Assessment Principal deposited with the Trustee after the date on which such Assessment Principal has become due and payable in accordance with applicable law or proceedings of the District.

“Developer” shall mean [K.B. Homes – Jacksonville], a Delaware corporation.

“DTC” shall mean The Depository Trust Company, New York, New York, and its successors and assigns.

“Interest Payment Date” shall mean each May 1 and November 1, commencing November 1, 2021.

“Majority Owners” shall mean the Beneficial Owners of more than fifty percent (50%) of the aggregate principal amount of the Series 2021 Bonds then Outstanding.

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

“Operation and Maintenance Assessments” shall mean non-ad valorem special assessments levied by the District pursuant to the Act and other applicable law on assessable District lands for the operation and maintenance of the 2021 Project and/or other operations and maintenance activities of the District.

“Participating Underwriter” shall have the meaning ascribed to it in the Continuing Disclosure Agreement.

“Prepayment Principal” shall mean the excess amount of Assessment Principal received by the District over the Assessment Principal then due, but shall not include Delinquent Assessment Principal. Prepayment Principal shall not include the proceeds of any refunding bonds.

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

“Substantially Absorbed” shall mean the date at least 90% of the principal portion of the 2021 Special Assessments have been assigned to residential units that have received certificates of occupancy.

“Term Bonds” shall mean the Series 2021 Bonds that mature on one date and that are subject to mandatory redemption from Amortization Installments.

“True Up Agreement” shall mean the Agreement Regarding True-Up as to 2021 Special Assessments between the District and the Developer, dated September \_\_, 2021.

“2021 Acquisition and Construction Account” shall mean the Account so designated, established as a separate Account within the Acquisition and Construction Fund pursuant to Section 401(a) of this First Supplemental Indenture.

“2021 Costs of Issuance Account” shall mean the Account so designated, established as a separate Account within the Acquisition and Construction Fund pursuant to Section 401(a) of this First Supplemental Indenture.

“2021 Interest Account” shall mean the Account so designated, established as a separate Account within the Debt Service Fund pursuant to Section 401(b) of this First Supplemental Indenture.

“2021 Optional Redemption Account” shall mean the Account so designated, established as a separate Account within the Bond Redemption Fund pursuant to Section 401(c) of this First Supplemental Indenture.

“2021 Pledged Revenues” shall mean all revenues received by the District from the 2021 Special Assessments, including, without limitation, amounts received from any foreclosure proceeding for the enforcement of collection of such 2021 Special Assessments or from the issuance and sale of tax certificates with respect to such 2021 Special Assessments; provided, however, that 2021 Pledged Revenues shall not include (A) any moneys transferred to the 2021 Rebate Account, or investment earnings thereon and (B) “special assessments” levied and collected by the District under Section 190.022 of the Act for maintenance purposes or “maintenance special assessments” levied and collected by the District under Section 190.021(3) of the Act (it being expressly understood that the lien and pledge of the Indenture shall not apply to any of the moneys described in the foregoing clauses (A) and (B) of this proviso).

“2021 Prepayment Account” shall mean the Account so designated, established as a separate Account within the Bond Redemption Fund pursuant to Section 401(c) of this First Supplemental Indenture.

“2021 Rebate Account” shall mean the Account so designated, established as a separate Account within the Rebate Fund pursuant to Section 4.07 of this First Supplemental Indenture.

“2021 Reserve Account” shall mean the Account established as a separate Account within the Debt Service Reserve Fund pursuant to Section 401(d) of this First Supplemental Indenture.

“2021 Reserve Account Requirement” shall mean initially an amount equal to fifty (50%) of the maximum annual Debt Service Requirement for the Series 2021 Bonds calculated from time to time which is initially \$ \_\_\_\_\_. For the purpose of calculating the 2021 Reserve Account Requirement, maximum annual Debt Service Requirement shall be calculated as of the date of the original issuance and delivery of the Series 2021 Bonds and recalculated in connection with each extraordinary mandatory redemption of the Series 2021 Bonds (but not upon the optional or mandatory sinking fund redemption thereof).

“2021 Revenue Account” shall mean the Account so designated, established as a separate Account within the Revenue Fund pursuant to Section 401(e) of this First Supplemental Indenture.

“2021 Sinking Fund Account” shall mean the Account so designated, established as a separate Account within the Debt Service Fund pursuant to Section 401(b) of this First Supplemental Indenture.

“2021 Special Assessments” shall mean the Special Assessments levied against properties within the District specially benefited by the 2021 Project as described in the Assessment Proceedings.

**ARTICLE II**  
**AUTHORIZATION, ISSUANCE AND PROVISIONS OF SERIES 2021 BONDS**

Section 201. Authorization of Series 2021 Bonds; Book-Entry Only Form. The Series 2021 Bonds are hereby authorized to be issued in the aggregate principal amount of \$ \_\_\_\_\_ for the purposes enumerated in the recitals hereto. The Series 2021 Bonds shall be substantially in the form set forth as **Exhibit B** to this First Supplemental Indenture. Each Series 2021 Bond shall bear the designation “2021R” and be numbered consecutively from 1 upwards.

The Series 2021 Bonds shall be initially issued in the form of a separate single certificated fully registered Series 2021 Bond for each maturity of Series 2021 Bonds. Upon initial issuance, the ownership of such Series 2021 Bond shall be registered in the registration books kept by the Bond Registrar in the name of Cede & Co., as Nominee of The Depository Trust Company, New York, New York (“DTC”), the initial Bond Depository. Except as provided in this Section 201, all of the Outstanding Series 2021 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 2021 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 Beneficial Owner. 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 2021 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 2021 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 2021 Bonds. The District, the Trustee, the Bond Registrar and the Paying Agent may treat and consider the person in whose name each Series 2021 Bond is registered in the registration books kept by the Bond Registrar as the absolute owner of such Series 2021 Bond for the purpose of payment of principal, premium and interest with respect to such Series 2021 Bond, for the purpose of giving notices of redemption and other matters with respect to such Series 2021 Bond, for the purpose of registering transfers with respect to such Series 2021 Bond, and for all other purposes whatsoever. The Paying Agent shall pay all principal of, premium, if any, and interest on the Series 2021 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 payment 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 2021 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 2021 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 therein with respect to Record Dates, the words “Cede & Co.” in this First 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 2021 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 2021 Bonds or (ii) to the effect that DTC is unable or unwilling to discharge its responsibilities and no substitute Bond Depository willing to undertake the functions of DTC hereunder can be found which is willing and able to undertake such functions upon reasonable and customary terms, the Series 2021 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 the Beneficial Owners shall designate, in accordance with the provisions hereof and of the Master Indenture.

Section 202. Terms of Series 2021 Bonds. The Series 2021 Bonds shall be issued as \_\_\_\_ ( ) Term Bonds as set forth below and shall bear interest at the fixed interest rates per annum and shall mature in the amounts and on the dates set forth below:

\$ \_\_\_\_\_, \_\_\_\_\_ % Term Bond due May 1, 20\_\_

\$ \_\_\_\_\_, \_\_\_\_\_ % Term Bond due May 1, 20\_\_

\$ \_\_\_\_\_, \_\_\_\_\_ % Term Bond due May 1, 20\_\_

\$ \_\_\_\_\_, \_\_\_\_\_ % Term Bond due May 1, 20\_\_

Section 203. Dating; Interest Accrual. Each Series 2021 Bond upon initial issuance shall be dated September \_\_, 2021. Each Series 2021 Bond shall also bear its date of authentication. Each Series 2021 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 2021 Bond has been paid, in which event such Series 2021 Bond shall bear interest from its date of authentication; or (ii) is prior to the first Interest Payment Date for the Series 2021 Bonds, in which event such Series 2021 Bond shall bear interest from its date. Interest on the Series 2021 Bonds shall be due and payable on each May 1 and November 1, commencing November 1, 2021, and shall be computed on the basis of a 360-day year of twelve 30-day months.

Section 204. Denominations. The Series 2021 Bonds shall be issued in Authorized Denominations provided however, delivery of the Series 2021 Bonds to the initial purchasers thereof shall be in principal amounts of \$100,000 of integral multiples of \$5,000 in excess thereof.

Section 205. Paying Agent. The District appoints the Trustee as Paying Agent for the Series 2021 Bonds.

Section 206. Bond Registrar. The District appoints the Trustee as Bond Registrar for the Series 2021 Bonds.

Section 207. Conditions Precedent to Issuance of Series 2021 Bonds. In addition to complying with the requirements set forth in Section 3.01 of the Master Indenture in connection with the issuance of the Series 2021 Bonds, all the Series 2021 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 Assessment Proceedings;
- (b) Executed originals of the Master Indenture and this First Supplemental Indenture;
- (c) A Bond Counsel opinion addressed to the Trustee or with respect to which the Trustee has received a customary reliance letter substantially to the effect that; (i) the Indenture has been duly authorized and executed by the District and constitutes a valid and binding obligation of the District; (ii) the Series 2021 Bonds have been duly authorized, executed and delivered by the District and are valid and binding special obligations of the District, payable solely from the sources provided therefor in the Indenture; (iii) the interest on the Series 2021 Bonds is excludable from gross income for federal income tax purposes; and (iv) the Series 2021 Bonds and the interest paid thereon are exempt from all taxes imposed by the State of Florida except as to estate taxes and taxes imposed by Chapter 220, Florida Statutes.
- (d) An opinion of Counsel to the District addressed to the Trustee substantially to the effect that; (i) the District has been duly established and validly exists as a community development district under the Act, (ii) the District has good right and lawful authority under the Act to undertake the 2021 Project being financed with the proceeds of the Series 2021 Bonds, 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 having lawful jurisdiction in order to undertake the 2021 Project, (iii) all proceedings undertaken by the District with respect to the 2021 Special Assessments have been in accordance with Florida law, (iv) the District has taken all action necessary to levy and impose the 2021 Special Assessments, and (v) the 2021 Special Assessments are legal, valid and binding liens upon the property against which such 2021 Special Assessments are made, coequal with the lien of all state, county, district and municipal taxes, superior in dignity to all other liens, titles and claims, until paid;
- (e) A certificate of a Responsible Officer to the effect that, upon the authentication and delivery of the Series 2021 Bonds, the District will not be in default in the performance of the terms and provisions of the Master Indenture or this First Supplemental Indenture;
- (f) A certificate or certificates of the District's engineer certifying as to the accuracy of the information set forth in the District engineer's report regarding the 2021 Project; and
- (g) A certified copy of the final judgment of validation together with a certificate of no appeal.

Delivery to the Trustee of the net proceeds from the issuance of the Series 2021 Bonds shall constitute conclusive proof of the delivery of the items described above to the satisfaction of the Issuer and the underwriter of the Series 2021 Bonds.

Section 208. Continuing Disclosure. The District hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement. Notwithstanding any other provisions of the Indenture, failure of the District to comply with the Continuing Disclosure Agreement shall not be considered an Event of Default; however, the Trustee may and, at the request of any Participating Underwriter or the Holders of at least 25% aggregate principal amount of Outstanding Series 2021 Bonds, and receipt of indemnity satisfactory to the Trustee shall, or any such Bondholder may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the District to comply with its obligations under this Section.

### **ARTICLE III REDEMPTION AND PURCHASE OF SERIES 2021 BONDS**

The Series 2021 Bonds are subject to redemption prior to maturity as provided in the form thereof set forth as **Exhibit A** to this First Supplemental Indenture. Notice of redemption shall be given as provided in Section 8.02 of the Master Indenture.

### **ARTICLE IV DEPOSIT OF SERIES 2021 BOND PROCEEDS AND APPLICATION THEREOF; ESTABLISHMENT OF ACCOUNTS AND OPERATION THEREOF**

Section 401. Establishment of Accounts.

(a) There are hereby established within the Acquisition and Construction Fund held by the Trustee the following accounts:

- (i) a 2021 Acquisition and Construction Account; and
- (ii) a 2021 Costs of Issuance Account;

(b) There are hereby established within the Debt Service Fund held by the Trustee a 2021 Sinking Fund Account, and a 2021 Interest Account;

(c) There is hereby established within the Bond Redemption Fund a 2021 Prepayment Account and a 2021 Optional Redemption Account;

(d) There is hereby established within the Debt Service Reserve Fund held by the Trustee a 2021 Reserve Account, which account shall be held for the benefit of all of the Series 2021 Bonds without distinction as to Series 2021 Bonds and without privilege or priority of one Series 2021 Bond over another;

(e) There is hereby established within the Revenue Fund held by the Trustee a 2021 Revenue Account; and

(f) There is hereby established within the Rebate Fund held by the Trustee a 2021 Rebate Account.

Section 402. Use of Series 2021 Bond Proceeds. Following the Trustee's receipt of the items set forth in Section 3.01 of the Master Indenture and Section 207 hereof, the net proceeds of sale of the Series 2021 Bonds, \$\_\_\_\_\_ (face amount of Series 2021 Bonds less underwriter's discount of \$\_\_\_\_\_ and less/plus original issue discount/premium of \$\_\_\_\_\_) shall be delivered to the Trustee by the District and be applied as follows:

(a) \$\_\_\_\_\_, representing the 2021 Reserve Account Requirement, shall be deposited to the 2021 Reserve Account;

(b) \$\_\_\_\_\_, representing costs of issuance relating to the Series 2021 Bonds, shall be deposited to the credit of the 2021 Costs of Issuance Account;

(c) \$\_\_\_\_\_, shall be deposited to the 2021 Interest Account; and

(d) \$\_\_\_\_\_ of the proceeds of the Series 2021 Bonds remaining after the deposits above shall be deposited to the credit of the 2021 Acquisition and Construction Account of the Acquisition and Construction Fund.

Section 403. Acquisition and Construction Fund.

(a) Amounts on deposit in the 2021 Acquisition and Construction Account shall be applied to pay the Costs of the 2021 Project upon presentment to the Trustee of a properly signed requisition in substantially the form of Exhibit B hereto.

(b) Any balance remaining in the 2021 Acquisition and Construction Account after the Completion Date of the 2021 Project and after retaining the amount, if any, of all remaining unpaid Costs of the 2021 Project set forth in the Engineers' Certificate establishing such Completion Date, shall be deposited in the 2021 Prepayment Account in the Bond Redemption Fund and applied to the extraordinary mandatory redemption of the Series 2021 Bonds in the manner prescribed in the Series 2021 Bonds. At such time as there are no amounts on deposit in the 2021 Acquisition and Construction Account such account shall be closed. No such transfer to the 2021 Prepayment Account shall be made if on the date of such proposed transfer the Trustee has knowledge that an Event of Default exists until such Event of Default no longer exists or is waived or the Trustee is directed by the Majority Owners to otherwise apply such moneys.

In accordance with the provisions of the Indenture, the Series 2021 Bonds are payable solely from the 2021 Trust Estate. The District acknowledges hereby that (i) the 2021 Trust Estate includes, without limitation, all amounts on deposit in the 2021 Acquisition and Construction Account then held by the Trustee, (ii) upon the occurrence of an Event of Default with respect to the Series 2021 Bonds, the 2021 Trust Estate may not be used by the District (whether to pay costs of the 2021 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 2021 Project and payment is for such work and (iii) the 2021 Trust Estate 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 2021 Project after the occurrence of an Event of Default unless authorized in writing by the Majority Owners.

Section 404. Costs of Issuance Account. There shall be deposited in the 2021 Costs of Issuance Account \$ \_\_\_\_\_ which shall, at the written direction of a Responsible Officer to the Trustee, be used to pay the costs of issuance relating to the Series 2021 Bonds. Any amounts on deposit in the 2021 Costs of Issuance Account ninety (90) days after the date of initial delivery of the Series 2021 Bonds, for which the District has not provided a pending requisition, shall be transferred over and deposited into the 2021 Acquisition and Construction Account and used for the purposes permitted therefor and the 2021 Costs of Issuance Account shall be closed.

Section 405. 2021 Reserve Account. Amounts on deposit in the 2021 Reserve Account except as provided elsewhere in the Master Indenture or in this First Supplemental Indenture shall be used only for the purpose of making payments into the 2021 Interest Account and the 2021 Sinking Fund Account to pay the Series 2021 Bonds, without distinction as to Series 2021 Bonds and without privilege or priority of one Series 2021 Bond over another, when due when the moneys on deposit in such Accounts and available therefor are insufficient.

The Trustee, on each March 15, June 15, September 15 and December 15 (or if such day is not a Business Day, on the Business Day next preceding such day) next preceding each Quarterly Redemption Date, after taking into account all payments and transfers made as of such date, shall compute the value of the 2021 Reserve Account and shall promptly notify the District of the amount of any deficiency or surplus as of such date in such account. The District shall immediately pay the amount of any deficiency to the Trustee, for deposit in the 2021 Reserve Account, from the first legally available sources of the District. Any such surplus in the 2021 Reserve Account shall be deposited to the 2021 Prepayment Account.

All earnings on investments in the 2021 Reserve Account shall be deposited to the 2021 Revenue Account provided no deficiency exists in the 2021 Reserve Account except that prior to the Completion Date of the 2021 Project earnings shall be deposited to the 2021 Acquisition and Construction Account if a deficiency does not exist in the 2021 Reserve Account and if a deficiency does exist earnings shall remain on deposit in the 2021 Reserve Account until the deficiency is cured. Such Account shall consist only of cash and Investment Securities.

Notwithstanding the foregoing on the earliest date on which there is on deposit in the 2021 Reserve Account, sufficient monies, taking into account other monies available therefor, to pay and redeem all of the Outstanding Series 2021 Bonds, together with accrued interest on such Series 2021 Bonds to the earliest date of redemption, then the Trustee shall transfer to the 2021 Prepayment Account the amount on deposit in the 2021 Reserve Account to pay and redeem all of the Outstanding Series 2021 Bonds on the earliest such date.

Section 406. Application of Prepayment Principal; 2021 Prepayment Account. All Prepayment Principal shall upon receipt by the Trustee be deposited to the 2021 Prepayment Account. At the time the District deposits Prepayment Principal with the Trustee it shall notify the Trustee in writing as to the amount of Prepayment Principal. Amounts on deposit in the 2021 Prepayment Account shall be applied to the extraordinary mandatory redemption of the Series 2021 Bonds in the manner prescribed in the Series 2021 Bonds.

The Trustee is not responsible to verify if any payment is Prepayment Principal and may conclusively rely upon the District's classification of any payment as Prepayment Principal as accurate, and in the absence of such notification will conclude that such payment is not Prepayment Principal and that such payment is to be deposited into the 2021 Revenue Account.

Section 407. Tax Covenants and Rebate Account. The District shall comply with the Arbitrage Certificate (including deposits to and payments from the 2021 Rebate Account hereby established) included as part of the closing transcript for the Series 2021 Bonds, as amended and supplemented from time to time in accordance with its terms. Amounts in the 2021 Rebate Account hereby established shall be directed by the District for investment only in Government Obligations. To the extent any amounts in the 2021 Rebate Account are not needed to comply with the Arbitrage Certificate, such amounts shall be transferred as directed by the District to any other fund or account created hereunder.

Notwithstanding anything to the contrary contained in the Master Indenture, the District covenants with the holders of the Series 2021 Bonds that it shall comply with the requirements of Code necessary to maintain the exclusion of interest on the Series 2021 Bonds from gross income for purposes of federal income taxation, including the payment of any amount required to be rebated to the U.S. Treasury pursuant to the Code, and, in particular, that it shall not make or direct the making of any investment or other use of proceeds of such Series 2021 Bonds (or amounts deemed to be proceeds under the Code) in any manner which would cause the interest on such Series 2021 Bonds to be or become subject to federal income taxation, nor shall it fail to do any act which is necessary to prevent such interest from becoming subject to federal income taxation. The District further covenants that neither the District nor any other person under its control or direction will make any investment or other use of the proceeds of the Series 2021 Bonds (or amounts deemed to be proceeds under the Code) in any manner which would cause the Series 2021 Bonds to be "private activity bonds" as that term is defined in Section 141 of the Code (or any successor provision thereto), or "arbitrage bonds" as that term is defined in Section 148 of the Code (or any successor provision thereto) and that it will comply with such sections of the Code throughout the term of the Series 2021 Bonds. Notwithstanding the foregoing, nothing herein shall require the District to impose additional assessments, taxes, or similar amounts, the imposition of which would require an action of the governing body of the District.

Section 408. Establishment of 2021 Revenue Account in Revenue Fund; Application of Series 2021 Accounts and Investment Earnings.

(a) Except as otherwise provided herein, amounts on deposit in the 2021 Revenue Account shall be applied in accordance with Section 6.03 of the Master Indenture. Except as otherwise provided herein, the 2021 Special Assessments will be collected as provided in Section 9.04 of the Master Indenture. Following an Event of Default, the Majority Owners may direct the District as to the collection method for the 2021 Special Assessments provided such method complies with Florida law. The District covenants to assess, levy, and enforce the payment of the 2021 Special Assessments at times and in amounts as shall be necessary in order to pay, when due, Debt Service Requirements on the Series 2021 Bonds and to pay or cause to be paid the proceeds of such 2021 Special Assessments as received to the Trustee for deposit to the 2021 Revenue Account.

(b) Upon deposit of the revenues from the 2021 Special Assessments including the interest thereon with the Trustee, the District shall provide the Trustee a written accounting setting forth the amounts of such 2021 Special Assessments in the following categories which shall be deposited by the Trustee into the Funds and Accounts established hereunder as follows:

(i) Assessment Interest which shall be deposited into the 2021 Interest Account;

(ii) Assessment Principal, which shall be deposited into the 2021 Sinking Fund Account;

(iii) Prepayment Principal which shall be deposited into the 2021 Prepayment Account;

(iv) Delinquent Assessment Principal shall first be applied to restore the amount of any withdrawal from the 2021 Reserve Account to pay the principal of Series 2021 Bonds, to the extent that less than the 2021 Reserve Account Requirement is on deposit in the 2021 Reserve Account, and, the balance, if any, shall be deposited into the 2021 Sinking Fund Account;

(v) Delinquent Assessment Interest shall first be applied to restore the amount of any withdrawal from the 2021 Reserve Account to pay the interest of Series 2021 Bonds to the extent that less than the 2021 Reserve Account Requirement is on deposit in a 2021 Reserve Account, and, the balance, if any, shall be deposited into the 2021 Interest Account;

(vi) The balance shall be deposited in the 2021 Revenue Account.

(c) On each March 15, June 15, September 15 and December 15 (or if such Day is not a Business Day, on the Business Day next preceding such day), the Trustee shall determine the amount on deposit in the 2021 Prepayment Account and, if the balance therein is greater than zero, shall transfer, but only after transferring sufficient amounts as directed by the District from the 2021 Revenue Account to pay amounts due on the next Interest Payment Date from the 2021 Revenue Account for deposit into such Prepayment Account, an amount sufficient to increase the amount on deposit therein to the next integral multiple of \$5,000, and, shall thereupon give notice and cause the extraordinary mandatory redemption of Series 2021 Bonds on the next succeeding Quarterly Redemption Date in the maximum aggregate principal amount for which moneys are then on deposit in such Prepayment Account in accordance with the provisions for extraordinary redemption of Series 2021 Bonds. All interest due in regard to such prepayments shall be paid from the 2021 Interest Account or, if insufficient amounts are on deposit in the 2021 Interest Account to pay such interest, then from the 2021 Revenue Account.

(d) Anything herein or in the Master Indenture to the contrary, on each May 1 and November 1 (or if such May 1 or November 1 is not a Business Day, on the Business Day preceding such May 1 or November 1), the Trustee shall transfer from amounts on deposit in the 2021 Revenue Account to the Funds and Accounts designated below, the following amounts in the following order of priority:

FIRST, beginning on November 1, 2021, to the 2021 Interest Account of the Debt Service Fund, an amount equal to the amount of interest payable on all Series 2021 Bonds then Outstanding on such May 1 or November 1, less any other amount already on deposit in the 2021 Interest Account not previously credited;

SECOND, beginning on May 1, 2023, and no later than the Business Day next preceding each May 1 thereafter while Series 2021 Bonds remain Outstanding, to the 2021 Sinking Fund Account, an amount equal to the Amortization Installment on the Series 2021 Bonds due on such May 1 or the principal maturing on such May 1, less any amount on deposit in the 2021 Sinking Fund Account not previously credited;

THIRD, to the 2021 Reserve Account, the amount, if any, which is necessary to make the amount on deposit therein equal to the 2021 Reserve Account Requirement with respect to the Series 2021 Bonds; and

FOURTH, the balance shall be retained in the 2021 Revenue Account, provided that on November 2 of each year any funds remaining in the 2021 Revenue Account shall be applied upon direction of the District to the Trustee to any lawful purpose of the District.

Anything herein to the contrary notwithstanding, it shall not constitute an Event of Default hereunder if the full amount of the foregoing deposits are not made due to an insufficiency of funds therefor; provided, however, that nothing in this paragraph is meant to change what are otherwise Events of Default as provided for in Article X of the Master Trust Indenture and Section 606 herein.

(e) On any date required by the Arbitrage Certificate, the District shall give the Trustee written direction to, and the Trustee shall, transfer from the 2021 Revenue Account to the 2021 Rebate Account established for the Series 2021 Bonds in the Rebate Fund the amount due and owing to the United States, which amount shall be paid, to the United States, when due, in accordance with such Arbitrage Certificate. To the extent insufficient moneys are on deposit in the 2021 Revenue Account to make the transfer provided for in the immediately preceding sentence the District shall deposit with the Trustee from available moneys of the District the amount of any such insufficiency.

(f) Anything herein or in the Master Indenture to the contrary notwithstanding, amounts on deposit in all of the Funds and Accounts held as security for the Series 2021 Bonds shall be invested only in Investment Securities, and further, earnings on investments in the 2021 Acquisition and Construction Account and the 2021 Costs of Issuance Account shall be retained as realized, in such Fund and Accounts and used for the purpose of such Fund and Accounts. Earnings on investments in the 2021 Revenue Account, 2021 Sinking Fund Account, the 2021 Interest Account and the 2021 Prepayment Account and the 2021 Optional Redemption Account in the Bond Redemption Fund shall be deposited, as realized, to the credit of the 2021 Revenue Account and used for the purpose of such Account.

Earnings on investments in the 2021 Reserve Account shall be disposed of as provided in Section 405 hereof.

**ARTICLE V  
CONCERNING THE TRUSTEE**

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

Section 502. Limitation of Trustee's Responsibility. The Trustee shall not be responsible in any manner for the due execution of this First 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 XI thereof, all of which shall apply to the actions of the Trustee under this First Supplemental Indenture.

Section 504. Brokerage Confirmations. The District acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Issuer the right to receive individual confirmations of security transactions at no additional cost, as they occur, the Issuer specifically waives receipt of such confirmations to the extent permitted by law. The Trustee will furnish the Issuer periodic cash transaction statements that include detail for all investment transactions made by the Trustee hereunder and under the Master Indenture with respect to the Series 2021 Bonds Outstanding.

Section 505. Patriot Act Requirements of Trustee. To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identified each person who opens an account. For a non-individual person such as business entity, a charity, a trust, or other legal entity, the Trustee will ask for documentation to verify such non-individual person's formation and existence as a legal entity. The Trustee may also ask to see financial statements, licenses, identification and authorization documents from individuals claiming authority to represent the entity or other relevant documentation.

**ARTICLE VI  
MISCELLANEOUS**

Section 601. Confirmation of Master Indenture. As supplemented by this First Supplemental Indenture, the Master Indenture is in all respects ratified and confirmed, and this First 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 First Supplemental Indenture and to the Series 2021 Bonds issued hereunder. To the extent of any conflicts between the terms and provisions of the Master Indenture and this First Supplemental Indenture the terms and provisions hereof shall control.

Section 602. Additional Covenant Regarding 2021 Special Assessments. In addition, and not in limitation of, the covenants contained elsewhere in this First Supplemental Indenture and in the Master Indenture, the District covenants to comply with the terms of the proceedings

heretofore adopted with respect to the 2021 Special Assessments, including the assessment methodology, prepared by Governmental Management Services, Inc. (the “Report”), and to levy the 2021 Special Assessments and any required true up payments as set forth in the Report, in such manner as will generate funds sufficient to pay the principal of and interest on the Series 2021 Bonds, when due. The District also agrees that it shall not amend the Report in any material manner without the written consent of the Majority Owners, except as may be required by law.

The District may directly collect the 2021 Special Assessments in lieu of using the Uniform Method with respect to any assessable lands until such time as such lots are platted, unless the District Manager is directed otherwise by Majority Owners.

Section 603. Limitation on Additional Debt. Other than Bonds issued to refund a portion of Outstanding Series 2021 Bonds, the issuance of which as determined by the District results in present value debt service savings, the District shall not, while any Series 2021 Bonds are outstanding, issue or incur any debt payable in whole or in part from the 2021 Trust Estate. In addition, the District covenants not to issue any other Bonds or other debt obligations secured by Special Assessments on assessable lands which are also encumbered by the 2021 Special Assessments for any capital project unless the 2021 Special Assessments have been Substantially Absorbed; provided, however, that the foregoing shall not preclude the imposition of Special Assessments on property subject to the 2021 Special Assessments which as determined by the District, are necessary for health, safety, and welfare reasons or to remediate a natural disaster, and shall not preclude the imposition of Operation and Maintenance Assessments. The District may issue Bonds or other debt obligations secured by Special Assessments on assessable lands not encumbered by the 2021 Special Assessments without limitation except as limited by the documents pursuant to which such Bonds or debt are issued. The Trustee and the District may rely on a certificate from the District Manager regarding such status of the residential units and the 2021 Special Assessments and in the absence of receipt of such certificate, may assume Substantial Absorption has not occurred.

Section 604. Additional Matters Relating to Delinquent Assessments.

(a) Notwithstanding anything herein or in the Master Indenture to the contrary, the following provisions shall apply with respect to the 2021 Special Assessments and Series 2021 Bonds: If any property shall be offered for sale for the nonpayment of any 2021 Special Assessments, and no person or persons shall purchase such property for an amount equal to the full amount due on the 2021 Special Assessments (principal, interest, penalties and costs, plus attorneys’ fees, if any), the District may, but shall not be required to purchase the property for an amount equal to the balance due on the 2021 Special Assessments (principal, interest, penalties and costs, plus attorneys’ fees, if any), from any legally available funds of the District and District shall receive, in its corporate name or in the name of a special purpose entity, title to the property the benefit of the Owners of the Series 2021 Bonds; provided that the Trustee shall have the right, acting at the discretion of the Majority Owners, but shall not be obligated, to direct the District with respect to any action taken pursuant to this Section. Should the District purchase said property, the District, either through its own actions, or actions caused to be taken through the Trustee, shall have the power to and shall lease or sell such property, and deposit all of the net proceeds of any such lease or sale into the 2021 Revenue Account. The District, either through its own actions, or actions caused to be taken by the District through the Trustee, agrees that it shall,

after being provided assurances satisfactory to it of payment of its fees, costs and expenses for doing so, be required to take the measures provided by law for listing for sale of property acquired by it as trustee for the Owners of the Series 2021 Bonds within sixty (60) days after the receipt of the request therefore signed by the Trustee, acting at the direction of the Majority Owners of the Series 2021 Outstanding . The District may pay costs associated with any actions taken by the District pursuant to this paragraph from any moneys legally available for such purpose held under the Indenture, provided such action does not adversely impact the tax-exempt status of the interest on the Series 2021 Bonds.

(b) Notwithstanding anything to the contrary herein or in the Master Indenture, the District acknowledges and agrees that (i) upon failure of any property owner to pay when due any installment of 2021 Special Assessments that are billed directly by the District, that the entire 2021 Special Assessments levied on the property for which such installment of 2021 Special Assessments is due and unpaid, with interest and penalties thereon, shall immediately become due and payable as provided by applicable law and, with the written consent of the Trustee, acting at the direction of the Majority Owners of the Series 2021 Bonds Outstanding, the District shall promptly, but in any event within one hundred twenty (120) days of the receipt of such consent, cause to be brought the necessary legal proceedings for the foreclosure of liens of the delinquent 2021 Special Assessments, including interest and penalties and (ii) 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. The Trustee shall be deemed to have consented to the proposed action if the District does not received written direction from the Trustee within one hundred and twenty (120) days (or such shorter time as would be required to comply with any applicable court ruling) following receipt by the Trustee of a written request for direction.

Section 605. Additional Matters Relating to 2021 Special Assessments and Assessment Proceedings. The District covenants and agrees that upon the occurrence and continuance of an Event of Default with respect to the Series 2021 Bonds, it will take such actions to enforce the remedial provisions of the Indenture, the provisions for the collection of delinquent 2021 Special Assessments that are directly billed and collected by the District, as well as delinquent direct billed Operation and Maintenance Assessments, and the provisions for the foreclosure of liens of delinquent 2021 Special Assessments that are directly billed and collected by the District, as well as delinquent direct billed Operation and Maintenance Assessments, all in a manner consistent with the Master Indenture and this First Supplemental Indenture. All 2021 Special Assessments that are billed and collected directly by the District shall be due and payable no later than thirty (30) days prior to each Interest Payment Date; provided, however, that such Series 2021 Special Assessments shall not be deemed to be delinquent unless and until same are not paid by the applicable Interest Payment Date with respect to which they have been billed.

Section 606. Provisions relating to Bankruptcy or Insolvency of Landowner.

(a) The provisions of this Section 607 shall be applicable both before and after the commencement, whether voluntary or involuntary, of any case, proceeding or other action by or against any owner of any tax parcel subject to at least three percent (3%) of the 2021 Special Assessments pledged to the Series 2021 Bonds Outstanding (an “Insolvent Taxpayer”) under any existing or future law of any jurisdiction relating to bankruptcy, insolvency, reorganization, assignment for the benefit of creditors, or relief of debtors (a “Proceeding”).

(b) The District acknowledges and agrees that, although the Series 2021 Bonds were issued by the District, the Owners of the Series 2021 Bonds are categorically the party with the ultimate financial stake in the transaction and, consequently, the party with a vested and pecuniary interest in a Proceeding. In the event of any Proceeding involving an Insolvent Taxpayer:

(i) the District hereby agrees that it shall seek to secure the written consent of the Trustee, acting at the direction of the Majority Owners of the Series 2021 Bonds Outstanding, prior to making any election, giving any consent, commencing any action or filing any motion, claim, obligation, notice or application or in taking any other action or position in any Proceedings or in any action related to a Proceeding that affects, either directly or indirectly, the 2021 Special Assessments relating to the Series 2021 Bonds Outstanding, the Outstanding Series 2021 Bonds or any rights of the Trustee under the Indenture (provided, however, Trustee shall be deemed to have consented, on behalf of the Majority Owners of the Series 2021 Bonds Outstanding, to the proposed action if the District does not receive a written response from the Trustee within thirty (30) days following receipt by the Trustee of the written request for consent);

(ii) the District hereby agrees that it shall not make any election, give any consent, commence any action or file any motion, claim, obligation, notice or application or take any other action or position in any Proceeding or in any action related to a Proceeding that affects, either directly or indirectly, the 2021 Special Assessments relating to the Series 2021 Bonds Outstanding, the Series 2021 Bonds Outstanding or any rights of the Trustee under the Indenture that are inconsistent with any written consent received (or deemed received) from the Trustee;

(iii) the District hereby agrees that it shall seek the written consent of the Trustee prior to filing and voting in any such Proceeding (provided, however, Trustee shall be deemed to have consented, on behalf of the Majority Owners of the Series 2021 Bonds Outstanding, to the proposed action if the District does not receive a written response from the Trustee within thirty (30) days following receipt by the Trustee of the written request for consent);

(iv) the Trustee shall have the right, by interpleader or otherwise, to seek or oppose any relief in any such Proceeding that the District, as claimant with respect to the 2021 Special Assessments relating to the Series 2021 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 2021 Special Assessments relating the Series 2021 Bonds Outstanding, to seek substantive consolidation, to seek to shorten the Insolvent Taxpayer's exclusivity periods or to oppose any motion to extend such exclusivity periods, to oppose any motion for use of cash collateral or for authority to obtain financing, to oppose any



sale procedures motion or any sale motion, to propose a competing plan of reorganization or liquidation, or to make any election under Section 1111(b) of the Bankruptcy Code; and

(v) The District shall not challenge the validity or amount of any claim submitted in good faith in such Proceeding by the Trustee or any valuations of the lands owned by any Insolvent Taxpayer submitted in good faith by the Trustee in such Proceedings or take any other action in such Proceedings, which is adverse to Trustee's enforcement or the District's claim and rights with respect to the 2021 Special Assessments relating to the Series 2021 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 2021 Special Assessments pledged to the Series 2021 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.

(c) Notwithstanding the provisions of the immediately preceding paragraphs, 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 claim in such manner as it shall deem appropriate in its sole and absolute discretion. Any actions taken by the District in pursuance of its claim for Operation and Maintenance Assessments in any Proceeding shall not be considered an action adverse or inconsistent with the Trustee's rights or consents with respect to the 2021 Special Assessments relating to the Series 2021 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 (b)(iv) or (b)(v) above.

Section 607. Assignment of Collateral Assignment.

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 2021 Bonds, consistent with the terms of the Collateral Assignment. Such assignment shall not be considered an assumption by the Trustee of any obligations thereunder.

Section 608. Third Party Beneficiaries. This First Supplemental Indenture shall inure solely to the benefit of the District, the Trustee and the Holders from time to time of the Series 2021 Bonds, and shall create no rights in any other person or entity.

Section 609. 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 such agreements, the District covenants and agrees that the Trustee, at the written direction of the Majority Owners of the Series 2021 Bonds shall, subject to the Trustee's rights under Article X 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 of the Series 2021 Bonds, or the Trustee at the written direction of the Majority Owners of the Series 2021 Bonds, shall constitute an Event of Default under the Indenture only if the District fails to strictly enforce the provisions of the Completion Agreement and the True-Up Agreement after the Trustee has provided notice and a reasonable opportunity to cure.

IN WITNESS WHEREOF, Anabelle Island Community Development District has caused these presents to be signed in its name and on its behalf by its Chairman, and its official seal to be hereunto affixed and attested by its Secretary, thereunto duly authorized, and to evidence its acceptance of the trusts hereby created, the Trustee has caused these presents to be signed in its name and on its behalf by its duly authorized signatory.

**ANABELLE ISLAND COMMUNITY  
DEVELOPMENT DISTRICT**

[SEAL]

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

ATTEST:

By: \_\_\_\_\_  
Secretary

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

By: \_\_\_\_\_  
Vice President

**EXHIBIT A**

No. 2021R-\_\_

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

United States of America  
State of Florida

**ANABELLE ISLAND COMMUNITY DEVELOPMENT DISTRICT  
SPECIAL ASSESSMENT REVENUE BOND, SERIES 2021**

<u>Interest</u> <u>Rate</u>	<u>Maturity</u> <u>Date</u>	<u>Dated</u> <u>Date</u>	<u>CUSIP</u>
_____%	May 1, ____	_____, 2021	_____

Registered Owner: CEDE & CO.

Principal Amount: \_\_\_\_\_ MILLION \_\_\_\_\_ HUNDRED \_\_\_\_\_ THOUSAND AND  
NO/100 DOLLARS

THE ANABELLE ISLAND COMMUNITY DEVELOPMENT DISTRICT HAS ESTABLISHED A BOOK ENTRY SYSTEM OF REGISTRATION FOR THIS SERIES 2021 BOND. EXCEPT AS SPECIFICALLY PROVIDED OTHERWISE IN THE INDENTURE, CEDE & CO., AS NOMINEE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION (“DTC”), WILL BE THE REGISTERED OWNER AND WILL HOLD THIS SERIES 2021 BOND ON BEHALF OF EACH BENEFICIAL OWNER HEREOF. BY ACCEPTANCE OF A CONFIRMATION OF PURCHASE, DELIVERY OR TRANSFER, EACH BENEFICIAL OWNER OF THIS SERIES 2021 BOND SHALL BE DEEMED TO HAVE AGREED TO SUCH ARRANGEMENT. CEDE & CO., AS REGISTERED OWNER OF THIS SERIES 2021 BOND, MAY BE TREATED AS THE OWNER OF IT FOR ALL PURPOSES.

UNLESS THIS SERIES 2021 BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF DTC TO THE TRUSTEE FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, WITH RESPECT TO ANY SERIES 2021 BOND REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC, ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

ANABELLE ISLAND COMMUNITY DEVELOPMENT DISTRICT, a community development district duly created 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 Series 2021 Bond shall have been called for redemption in whole or in part and payment of the Redemption Price (as defined in the Indenture mentioned hereinafter) 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 November 1, 2021, 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; provided, however, that on or after the occurrence and continuance of an Event of Default under clause (a) and/or (b) of Section 10.02 of the Master Indenture, the payment of interest and principal or Redemption Price 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 Series 2021 Bond. Any payment of principal, or Redemption Price or interest shall be made only in accordance with standard DTC practices. Interest on this Bond will be computed on the basis of a 360-day year of twelve 30 day months.

This Bond is one of a duly authorized issue of bonds of the District designated “Special Assessment Revenue Bonds, Series 2021” (the “Series 2021 Bonds”) issuable under and governed by the terms of a Master Trust Indenture, dated as of September 1, 2021 (the “Master Indenture”), between the District and U.S. Bank National Association as trustee (the “Trustee”), as supplemented by a First Supplemental Trust Indenture, dated as of September 1, 2021 (the “Supplemental Indenture”), between the District and the Trustee (the Master Indenture as supplemented by the Supplemental Indenture is hereafter referred to as the “Indenture”). The Series 2021 Bonds are issued in an aggregate principal amount of \$\_\_\_\_\_ for the purposes of (i) financing the Cost of acquiring, constructing and equipping certain assessable improvements (the “2021 Project”); (ii) paying certain costs associated with the issuance of the Series 2021 Bonds; (iii) paying a portion of the interest to accrue on the Series 2021 Bonds; and (iv) making a deposit into the 2021 Reserve Account for the benefit of all of the Series 2021 Bonds.

This Series 2021 Bond is issued under and pursuant to the Constitution and laws of the State of Florida, particularly Chapter 190, Florida Statutes, as amended, and other applicable provisions of law and pursuant to the Indenture, executed counterparts of which Indenture are on file at the designated office of the Trustee. Reference is hereby made to the Indenture for the provisions, among others, with respect to the custody and application of the proceeds of Series 2021 Bonds, the collection, receipt and disposition of revenues and the funds charged with and pledged to the payment of the principal, and Redemption Price of, and the interest on, the Series 2021 Bonds, the nature and extent of the security thereby created, the covenants of the District with respect to the levy and collection of the 2021 Pledged Revenues (as defined in the Indenture), the terms and conditions under which the Series 2021 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 Registered Owners and Beneficial Owners of the Series 2021 Bonds, and, by the acceptance of this Series 2021 Bond, the Registered Owner and Beneficial Owners hereof assent to all of the

provisions of the Indenture. Terms not otherwise defined herein shall have the meaning ascribed to them in the Indenture. The Series 2021 Bonds are equally and ratably secured by the 2021 Trust Estate, without preference or priority of one Series 2021 Bond over another.

The Series 2021 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”). This Series 2021 Bond is transferable by the Registered Owner hereof or his duly authorized attorney at the designated corporate trust office of the Trustee as Bond Registrar (the “Bond Registrar”), upon surrender of this Series 2021 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 Series 2021 Bond or Series 2021 Bonds, in the same aggregate principal amount and of the same maturity as the Series 2021 Bond or Series 2021 Bonds transferred, will be issued to the transferee. At the designated corporate trust office of the Bond Registrar in the manner and subject to the limitations and conditions provided in the Indenture and without cost, except for any tax or other governmental charge, Series 2021 Bonds may be exchanged for an equal aggregate principal amount of Series 2021 Bonds of the same maturity, in Authorized Denominations and bearing interest at the same rate or rates.

The District has established a book-entry system of registration for the Series 2021 Bonds. Except as specifically provided otherwise in the Indenture, an agent will hold this Series 2021 Bond on behalf of the Beneficial Owner hereof. By acceptance of a confirmation of purchase, delivery or transfer, the Beneficial Owner of this Series 2021 Bond shall be deemed to have agreed to such arrangement.

#### Optional Redemption

The Series 2021 Bonds are subject to redemption at the option of the District prior to maturity, in whole or in part, on any date on or after May 1, 20\_\_ at the Redemption Price of 100% of the principal amount to be redeemed plus accrued interest to the redemption date.

#### Mandatory Redemption

The Series 2021 Bonds maturing May 1, 20\_\_ are subject to mandatory redemption in part by the District by lot prior to its scheduled maturity from moneys in the 2021 Sinking Fund Account established under the Supplemental Indenture in satisfaction of applicable Amortization Installments at a Redemption Price of 100% of the principal amount thereof, without premium, plus accrued interest to the redemption date, on May 1 of the years and in the principal amounts set forth below.

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

\*Maturity

The Series 2021 Bonds maturing May 1, 20\_\_ are subject to mandatory redemption in part by the District by lot prior to its scheduled maturity from moneys in the 2021 Sinking Fund Account established under the Supplemental Indenture in satisfaction of applicable Amortization Installments at a Redemption Price of 100% of the principal amount thereof, without premium, plus accrued interest to the redemption date, on May 1 of the years and in the principal amounts set forth below.

<u>Year</u>	<u>Amortization Installment</u>
-------------	-------------------------------------

\*

\*Maturity

The Series 2021 Bonds maturing May 1, 20\_\_ are subject to mandatory redemption in part by the District by lot prior to its scheduled maturity from moneys in the 2021 Sinking Fund Account established under the Supplemental Indenture in satisfaction of applicable Amortization Installments at a Redemption Price of 100% of the principal amount thereof, without premium, plus accrued interest to the redemption date, on May 1 of the years and in the principal amounts set forth below.

<u>Year</u>	<u>Amortization Installment</u>
-------------	-------------------------------------

\*

\*Maturity

The Series 2021 Bonds maturing May 1, 20\_\_ are subject to mandatory redemption in part by the District by lot prior to its scheduled maturity from moneys in the 2021 Sinking Fund Account established under the Supplemental Indenture in satisfaction of applicable Amortization Installments at a Redemption Price of 100% of the principal amount thereof, without premium, plus accrued interest to the redemption date, on May 1 of the years and in the principal amounts set forth below.

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

\*Maturity

Any Series 2021 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 2021 Bonds.

Upon redemption or purchase of the Series 2021 Bonds (other than redemption in accordance with scheduled Amortization Installments), the District shall cause to be recalculated and delivered to the Trustee revised Amortization Installments recalculated so that debt service on the Series 2021 Bonds is amortized in substantially equal annual installments of principal and interest (subject to rounding to Authorized Denominations of principal) over the remaining term of the Series 2021 Bonds.

Extraordinary Mandatory Redemption

The Series 2021 Bonds are subject to extraordinary mandatory redemption prior to scheduled maturity, in whole on any date or in part on any Quarterly Redemption Date, and if in part on a pro rata basis calculated by the District determined by the ratio of the Outstanding principal amount of each maturity of the Series 2021 Bonds treating for such purposes each Amortization Installment as a maturity divided by the aggregate principal amount of Outstanding Series 2021 Bonds and as otherwise provided in the Indenture, at the Redemption Price of 100% of the principal amount thereof, without premium, plus accrued interest to the Quarterly Redemption Date, if and to the extent that any one or more of the following shall have occurred:

(i) On or after Completion Date of the 2021 Project by application of moneys transferred from the 2021 Acquisition and Construction Account to the 2021 Prepayment Account in accordance with the terms of the Indenture; or

(ii) Amounts are deposited into the 2021 Prepayment Account from the prepayment of 2021 Special Assessments and from amounts deposited into the 2021 Prepayment Account from any other sources; or

(iii) When the amount on deposit in the 2021 Reserve Account, together with other moneys available therefor are sufficient to pay and redeem all the Series 2021 Bonds then Outstanding as provided in the Supplemental Indenture.

If less than all of the Series 2021 Bonds of a maturity subject to redemption shall be called for redemption, the particular such Series 2021 Bonds or portions of such Series 2021 Bonds of that maturity to be redeemed shall be selected by lot by the Registrar as provided in the Indenture.

Notice of each redemption of Series 2021 Bonds is required to be mailed by the Bond Registrar, postage prepaid, not less than thirty (30) nor more than sixty (60) days prior to the redemption date to each Registered Owner of Series 2021 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 2021



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 2021 Bonds or such portions thereof on such date, interest on such Series 2021 Bonds or such portions thereof so called for redemption shall cease to accrue, such Series 2021 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 2021 Bonds or such portions thereof so called for redemption except to receive payments of the Redemption Price thereof so held by the Paying Agent.

The Owner of this Series 2021 Bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any Event of Default under the Indenture, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture.

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

Any moneys held by the Trustee or Paying Agent in trust for the payment and discharge of any Series 2021 Bond which remain unclaimed for three (3) years after the date when such Series 2021 Bond has become due and payable, either at its stated maturity date or by call for earlier redemption, if such moneys were held by the Trustee or any Paying Agent at such date, or for three (3) years after the date of deposit of such moneys if deposited with the Trustee or Paying Agent after the date when such Series 2021 Bond became due and payable, shall be paid to the District, and thereupon and thereafter no claimant shall have any rights against the Trustee or Paying Agent to or in respect of such moneys.

If the District deposits or causes to be deposited with the Trustee funds or Defeasance Securities (as defined in the Indenture) sufficient to pay the principal or Redemption Price of any Series 2021 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 such Series 2021 Bonds as to the 2021 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 Series 2021 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 Series 2021 Bond is issued with the intent that the laws of the State of Florida shall govern its construction.

NEITHER THIS SERIES 2021 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 SERIES 2021 BOND AND THE INTEREST AND PREMIUM, IF ANY, PAYABLE HEREON 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 2021 BONDS. RATHER, DEBT SERVICE AND ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE INDENTURE, OR THE SERIES 2021 BONDS, SHALL BE PAYABLE SOLELY FROM, AND SHALL BE SECURED SOLELY BY, THE 2021 TRUST ESTATE PLEDGED TO THE SERIES 2021 BONDS, ALL AS PROVIDED HEREIN AND IN THE INDENTURE.

All acts, conditions and things required by the Constitution and laws of the State of Florida and the resolutions of the District to happen, exist and be performed precedent to and in the issuance of this Series 2021 Bond and the execution of the Indenture, have happened, exist and have been performed as so required. This Series 2021 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, Anabelle Island Community Development District has caused this Series 2021 Bond to bear the signature the Chairman of its Board of Supervisors and the official seal of the District to be impressed or imprinted hereon and attested by the signature of its Secretary.

**ANABELLE ISLAND COMMUNITY  
DEVELOPMENT DISTRICT**

(SEAL)

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

ATTEST:

By: \_\_\_\_\_  
Secretary

**CERTIFICATE OF AUTHENTICATION**

This Series 2021 Bond is one of the Bonds of the Series designated herein, described in the within-mentioned Indenture.

**U.S. BANK NATIONAL ASSOCIATION,  
as Registrar**

By: \_\_\_\_\_  
Vice President

\_\_\_\_\_  
Date of Authentication:

**CERTIFICATE OF VALIDATION**

This Series 2021 Bond is one of a Series of Bonds which were validated by judgment of the Circuit Court of the Fourth Judicial Circuit of Florida in and for Clay County, Florida, rendered on August 17, 2021.

**ANABELLE ISLAND COMMUNITY  
DEVELOPMENT DISTRICT**

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

[FORM OF ABBREVIATIONS FOR SERIES 2021 BONDS]

The following abbreviations, when used in the inscription on the face of the within Series 2021 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 tenant by the entirety

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

UNIFORM TRANS MIN ACT - \_\_\_\_\_ Custodian \_\_\_\_\_ under Uniform Transfers to Minors Act \_\_\_\_\_ (State)

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

For value received, the undersigned hereby sells, assigns and transfers unto \_\_\_\_\_ the within Series 2021 Bond and all rights thereunder, and hereby irrevocably constitutes and appoints \_\_\_\_\_, attorney to transfer the said Series 2021 Bond on the books of the District, with full power of substitution in the premises.

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

Social Security Number of Employer

Identification Number of Transferee:

Signature guaranteed:

\_\_\_\_\_  
NOTICE: The assignor's signature to this Assignment must correspond with the name as it appears on the face of the within Series 2021 Bond in every particular without alteration or any change whatever.

\_\_\_\_\_  
NOTICE: Signatures (s) must be guaranteed by guarantor institution participating in the Securities Transfer Agents Medallion Program or such other guaranteed program acceptable to the Trustee.

**EXHIBIT B**  
**FORM OF REQUISITION**  
**2021 ACQUISITION AND CONSTRUCTION ACCOUNT**

Anabelle Island Community Development District  
Clay County, Florida

U.S. Bank National Association, as Trustee  
Orlando, Florida

ANABELLE ISLAND COMMUNITY DEVELOPMENT DISTRICT  
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2021

The undersigned, a Responsible Officer of the Anabelle Island Community Development District (the “District”) hereby submits the following requisition for disbursement under and pursuant to the terms of the Master Trust Indenture between the District and U.S. Bank National Association, as trustee (the “Trustee”), dated as of September 1, 2021, as supplemented by that certain First Supplemental Trust Indenture dated as of September 1, 2021 (collectively, the “Indenture”) (all capitalized terms used herein shall have the meaning ascribed to such term in the Indenture);

- (A) Requisition Number;
- (B) Name of Payee;
- (C) Amount Payable;
- (D) Purpose for which paid or incurred (refer also to specific contract if amount is due and payable pursuant to a contract involving progress payments):
- (E) Account from which disbursement to be made: 2021 Acquisition and Construction Account

The undersigned hereby certifies that:

1. obligations in the stated amount set forth above have been incurred by the District;
2. each disbursement set forth above is a proper charge against the Account referenced in “E” above;

3. each disbursement set forth above was incurred in connection with the Cost of the 2021 Project;
4. each disbursement represents a Cost of the 2021 Project which has not previously been paid; and
5. the costs set forth in the requisition are reasonable.

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

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

Copies of the invoice(s) from the vendor of the property acquired or the services rendered with respect to which disbursement is hereby requested or other similar evidence of proof of payment is on file with the District.

**ANABELLE ISLAND COMMUNITY  
DEVELOPMENT DISTRICT**

By: \_\_\_\_\_  
Responsible Officer

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

The undersigned District Engineer hereby certifies that; (i) this disbursement is for the Cost of the 2021 Project and is consistent with the report of the District Engineer, as such report has been amended or modified; (ii) that the portion of the 2021 Project improvements being acquired from the proceeds of the Series 2021 Bonds have been completed in accordance with the plans and specifications therefor; (iii) the 2021 Project improvements subject to this disbursement are constructed in a sound workmanlike manner and in accordance with industry standards; (iv) the purchase price being paid by the District for the 2021 Project improvements being acquired pursuant to this disbursement is no more than the lesser of the fair market value of such improvements and the actual Cost of construction of such improvements; and (v) the plans and specifications for the 2021 Project improvements subject to this disbursement have been approved by all Regulatory Bodies required to approve them.

\_\_\_\_\_  
District Engineer

**EXHIBIT C**

**DESCRIPTION OF CAPITAL IMPROVEMENT PROGRAM AND 2021 PROJECT**

**PUBLIC IMPROVEMENTS CONSTITUTING ASSESSABLE  
IMPROVEMENTS WITHIN THE MEANING OF  
CHAPTER 190, FLORIDA STATUTES,  
INCLUDING BUT NOT LIMITED TO:**

**ASSESSABLE IMPROVEMENTS AS DESCRIBED IN THE MASTER ENGINEER'S  
REPORT, DATED MARCH 31, 2021, AND THE [SUPPLEMENTAL ENGINEER'S  
REPORT], PREPARED BY DUNN AND ASSOCIATES, INC.,  
AND AS REVISED FROM TIME TO TIME.**





**ANABELLE ISLAND COMMUNITY DEVELOPMENT DISTRICT  
(Clay County, Florida)**

**[\$[Bond Amount] Special Assessment Revenue Bonds, Series 2021**

**[BPA Date]**

**BOND PURCHASE AGREEMENT**

Anabelle Island Community Development District  
Clay County, Florida

Ladies and Gentlemen:

MBS Capital Markets, LLC (the "Underwriter") offers to enter into this Bond Purchase Agreement ("Purchase Agreement") with the Anabelle Island 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] Anabelle Island Community Development District Special Assessment Revenue Bonds, Series 2021 (the "Series 2021 Bonds"). The Series 2021 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 2021 Bonds is payable semi-annually on May 1 and November 1 each year, commencing November 1, 2021. The purchase price for the Series 2021 Bonds shall be \$[PP] (representing the aggregate par amount of the Series 2021 Bonds of \$[Bond Amount].00, [less/plus] [net] original issue [discount/premium] of \$[OID/BP] 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 2021 Bonds.** The Series 2021 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. 2021-10, enacted by the Board of County Commissioners of Clay County, Florida, on March 23, 2021, effective March 25, 2021 (the "Ordinance"). The District was established for the purposes, among other things, of financing and managing the acquisition and construction, maintenance, and operation of public infrastructure and

other public facilities within and without the boundaries of the District. The Series 2021 Bonds are being issued pursuant to the Act and a Master Trust Indenture, dated as of September 1, 2021 (the "Master Indenture"), from the District to U.S. Bank National Association, as trustee (the "Trustee"), as supplemented by a First Supplemental Trust Indenture, dated as of September 1, 2021, from the District to the Trustee (the "Supplemental Indenture" and, together with the Master Indenture, the "Indenture"), and Resolution Nos. 2021-28 and 2021-[\_\_], adopted by the Board of Supervisors of the District (the "Board") on April 26, 2021 and August [10], 2021, respectively (collectively, the "Bond Resolution"), authorizing the issuance of the Series 2021 Bonds. The 2021 Special Assessments comprising the 2021 Pledged Revenues have been levied by the District on the lands within the District specially benefited by the 2021 Project pursuant to Resolution No. 2021-27 adopted by the Board on April 6, 2021, Resolution No. 2021-32 adopted by the Board on June 8, 2021 and a resolution to be adopted by the Board on September [14], 2021 (collectively, the "Assessment Resolutions").

Consistent with the requirements of the Indenture and the Act, the Series 2021 Bonds are being issued to (a) finance the Cost of acquisition, construction, installation and equipping of the 2021 Project, (b) pay certain costs associated with the issuance of the Series 2021 Bonds, (c) pay a portion of the interest accruing on the Series 2021 Bonds, and (d) fund the 2021 Reserve Account as provided in the Supplemental Indenture.

The principal and interest on the Series 2021 Bonds are payable from and secured by the 2021 Trust Estate, which includes the 2021 Pledged Revenues and the 2021 Pledged Funds. The 2021 Pledged Revenues consist primarily of the revenues derived by the District from the 2021 Special Assessments levied against certain lands in the District that are subject to assessment as a result of the 2021 Project or any portion thereof. The 2021 Pledged Funds include all of the Funds and Accounts (except for the 2021 Rebate Account and the 2021 Costs of Issuance Account) established by the Indenture.

At the time of issuance of the Series 2021 Bonds, the District and/or KB Home Jacksonville LLC, a Delaware limited liability company (the "Developer") will enter into: (a) the Continuing Disclosure Agreement (the "Continuing Disclosure Agreement") among the District, the Developer and Governmental Management Services, LLC (the "Dissemination Agent") dated as of the date of Closing (hereinafter defined); (b) the [True Up Agreement] (the "True Up Agreement") between the District and the Developer dated as of the date of Closing; (c) the [Collateral Assignment] (the "Collateral Assignment") between the District and the Developer dated as of the date of Closing; (d) the [Completion Agreement] (the "Completion Agreement") between the District and the Developer dated as of the date of Closing; (e) the [Acquisition Agreement] (the "Acquisition Agreement") between the District and the Developer dated as of the date of Closing; and (f) the [Declaration of Consent to Jurisdiction] (the "Declaration of Consent") by the Developer dated as of the date of Closing. For purposes hereof, this Purchase Agreement, the Indenture, the Continuing Disclosure Agreement, the True Up Agreement, the Collateral Assignment, the Completion Agreement, the Acquisition Agreement and the Declaration of Consent, 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 2021 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 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 Florida 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 2021 Bonds. The Underwriter agrees that it will not confirm the sale of any Series 2021 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 2021 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 2021 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 2021 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 2021 Bonds at not in excess of the initial public offering price or prices (or below the yield or yields) set forth in Exhibit A hereto; provided, however, that the Underwriter may (i) offer and sell the Series 2021 Bonds to certain bond houses, brokers or to similar persons or organizations acting in the capacity of underwriters or wholesalers at prices lower than the public offering prices set forth in Exhibit A hereto, or (ii) change such initial offering prices (or yields) as the Underwriter deems necessary in connection with the marketing of the Series 2021 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 2021 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 of Florida, with full legal right, power and authority to (1) impose, levy and collect the 2021 Special Assessments in the manner described in the Limited Offering Memorandum, (2) issue the Series 2021 Bonds for the purposes for which they are to be issued, as described in the Limited Offering Memorandum, (3) secure the Series 2021 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, and (6) undertake the completion of the 2021 Project.

(b) The District has complied with the Bond Resolution, the Assessment Resolutions, the Act, and the Constitution and laws of the State of Florida in all matters relating to the Financing Documents and the Series 2021 Bonds, and the imposition, levy and collection of the 2021 Special Assessments.

(c) The District has 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, the 2021 Special Assessments and the Series 2021 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 2021 Special Assessments, the Series 2021 Bonds and the Limited Offering Memorandum.

(d) Each of the Financing Documents to which the District is a party constitutes a legally valid and binding obligation of the District enforceable in accordance with its terms and, upon due authorization, execution and delivery thereof by the parties thereto, will constitute 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 2021 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 2021 Bonds as aforesaid, the Indenture will provide, for the benefit of the holders from time to time of the Series 2021 Bonds, a legally valid and binding pledge of and a security interest in and to the 2021 Trust Estate pledged to the Series 2021 Bonds, subject only to the provisions of the Indenture permitting the application of such 2021 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 2021 Bonds, is required to be obtained or made by the District in connection with the issuance and sale of the Series 2021 Bonds, or the execution and delivery by the District of, or the due performance of its obligations under, the Financing Documents and the Series 2021 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 of Florida or the United States, the Financing Documents, the Series 2021 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 2021 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 2021 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 of Florida 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 2021 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 2021 Bonds, the Financing Documents, the 2021 Special 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 2021 Bonds, (6) the exemption under the Act of the Series 2021 Bonds and the interest thereon from taxation imposed by the State of Florida, (7) the legality of investment in the Series 2021 Bonds for certain investors as provided in the Act, (8) the issuance, sale or delivery of the Series 2021 Bonds, or (9) the collection of the 2021 Special Assessments and the pledge thereof under the Indenture to pay the principal, premium, if any, or interest on the Series 2021 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 2021 Trust Estate pledged to the Series 2021 Bonds with a lien thereon prior to or on a parity with the lien of the Series 2021 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 2021 BONDS – Book-Entry Only System," "THE DISTRICT – District Manager and Other Consultants," "THE DEVELOPMENT," "THE DEVELOPER," "TAX MATTERS," "LITIGATION – Developer" 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 2021 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 2021 Bonds as set forth in Section 1 hereof (such delivery of and payment for the Series 2021 Bonds is herein called the "Closing"). The District shall cause CUSIP identification numbers to be printed on the Series 2021 Bonds, but neither the failure to print such number on any Series 2021 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 2021 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 2021 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 Registrar to retain possession of the Series 2021 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 2021 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 2021 Special 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 2021 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 be performed at or prior to the Closing, and (5) the Series 2021 Bonds shall have been duly authorized, executed, authenticated and delivered;

(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) The Master Indenture and Supplemental Indenture, certified by authorized officers of the District as true and correct copies;

(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 Chairman or Vice Chairman and the Secretary of its Board of Supervisors, in substantially the form attached as Exhibit C hereto;

(6) An opinion, dated the date of Closing, of Akerman LLP, Jacksonville, 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 (i) the Underwriter may rely on the approving opinion of Bond Counsel as though such opinion were addressed to them, (ii) the Series 2021 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 (iii) Bond Counsel has reviewed (A) the statements contained in the Limited Offering Memorandum under the sections captioned "DESCRIPTION OF THE SERIES 2021 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 2021 BONDS" (other than the portions thereof captioned "Collateral Assignment," "Completion Agreement" and "True Up Agreement") and is of the opinion that insofar as such statements purport to summarize certain provisions of the Series 2021 Bonds and the Indenture, such statements are accurate summaries of the provisions purported to be summarized therein, and (B) 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 KE Law Group, PLLC, Tallahassee, Florida, District Counsel, in substantially the form attached as Exhibit D hereto;

(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, the District and Bond Counsel, 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 2021 Bonds will be used in a manner that would cause the Series 2021 Bonds to be "arbitrage bonds" within the meaning of Section 148 of Internal Revenue Code of 1986, as amended;

(12) Specimen Series 2021 Bonds;

(13) Executed Financing Documents;

(14) A copy of the executed Letter of Representations between the District and The Depository Trust Company, New York, New York;

(15) Copies of the [Master Special Assessment Methodology Report], dated [April 15], 2021, and the [Supplemental Special Assessment Methodology 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 as Exhibit E hereto;

(17) A copy of the Master Engineer's Report, dated March 31, 2021, prepared by the District Engineer;

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

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

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

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

(22) 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 2021 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 2021 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 their 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 2021 Bonds contained in this Purchase Agreement, or if the obligations of the Underwriter to cause the purchase, acceptance of delivery and payment of the Series 2021 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, but 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 2021 Bonds or the market price thereof, in the reasonable opinion of the Underwriter, has been materially adversely affected by an amendment to the Constitution of the United States or by any legislation (other than any actions taken by either House of Congress on or prior to the date hereof) (1) enacted or adopted by the United States, (2) 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 (3) 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, or by any decision of any court of the United States or by 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, or by a release or announcement or communication issued or sent by the Treasury Department of the United States or the Internal Revenue Service, or 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 2021 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 of Florida, or a decision by any court of competent jurisdiction within the State of Florida shall be rendered which, in the reasonable opinion of the Underwriter, materially adversely affects the market for the Series 2021 Bonds or the sale, at the contemplated offering prices, by the Underwriter of the Series 2021 Bonds to be purchased by them; 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 2021 Bonds or the sale, at the contemplated offering prices, by the Underwriter of the Series 2021 Bonds to be purchased by them; 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 2021 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 which, in the reasonable opinion of

Bond Counsel, has the effect of requiring the contemplated distribution of the Series 2021 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 Securities and Exchange Commission or any other governmental authority having jurisdiction of the subject matter of the Series 2021 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 2021 Bonds as contemplated hereby or by the Limited Offering Memorandum, or any document relating to the issuance, offering or sale of the Series 2021 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 2021 Bonds as contemplated hereby, or of obligations of the general character of the Series 2021 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 of Florida 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 (1) the market price or the marketability of the Series 2021 Bonds, or (2) the ability of the Underwriter to enforce contracts for the sale of the Series 2021 Bonds; or

(h) a general banking moratorium shall have been declared by the United States, New York or State of Florida authorities which, in the reasonable opinion of the Underwriter, materially adversely affects the market for the Series 2021 Bonds or the sale, at the contemplated offering prices, by the Underwriter of the Series 2021 Bonds to be purchased by them; or

(i) any national securities exchange or any governmental authority shall impose, as to the Series 2021 Bonds or obligations of the general character of the Series 2021 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 2021 Bonds or the sale, at the contemplated offering prices, by the Underwriter of the Series 2021 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 2021 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 2021 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 Florida 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 2021 Bonds or the contemplated offering prices thereof.

## **10. Expenses.**

(a) The District agrees to pay from the proceeds of the Series 2021 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, Governmental Management Services, LLC, as Assessment Consultant, Dunn & Associates, Inc., as District 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 2021 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 them in connection with their offering and distribution of the Series 2021 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: Anabelle Island Community Development District  
c/o Governmental Management Services, LLC  
475 West Town Place, Suite 114  
St. Augustine, Florida 32092  
Attn: James Perry

Copy to District Counsel: KE Law Group, PLLC  
P.O. Box 6386  
Tallahassee, Florida 32314  
Attn: Jennifer Kilinski, 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 2021 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 Chairman 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 of Florida.

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 2021 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 2021 Bonds are the 2021 Pledged Revenues and the 2021 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 2021 Bonds were not issued, the District would not be entitled to impose and collect the 2021 Special Assessments in the amount of the principal of and interest to be paid on the Series 2021 Bonds.

19. **No Advisory or Fiduciary Role.** The District acknowledges and agrees that (a) the purchase and sale of the Series 2021 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 2021 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 2021 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 as Exhibit J hereto, 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 2021 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 2021 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 2021 Bonds. If at that time the 10% test has not been satisfied as to any maturity of the Series 2021 Bonds, the Underwriter agrees to promptly report to the District the prices at which it sells the unsold Series 2021 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 2021 Bonds of that maturity or until all Series 2021 Bonds of that maturity have been sold to the public.

(c) The Underwriter confirms that it has offered the Series 2021 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 2021 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 2021 Bonds, the Underwriter will neither offer nor sell unsold Series 2021 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 (5th) 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 2021 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 2021 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 (5th) business day after the sale date.

(d) The Underwriter acknowledges that sales of any Series 2021 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 (i) 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 2021 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) to participate in the initial sale of the Series 2021 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 2021 Bonds to the public);

(3) a purchaser of any of the Series 2021 Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other); and

(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:

**ANABELLE ISLAND  
COMMUNITY DEVELOPMENT DISTRICT**

By: \_\_\_\_\_  
Jim McDade, Chairman,  
Board of Supervisors

**EXHIBIT A**

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

<b>Maturity Date</b>	<b>Principal Amount</b>	<b>Interest Rate</b>	<b>Yield</b>	<b>Price</b>	<b>CUSIP†</b>
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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.

**Redemption Provisions**

*Optional Redemption.* The Series 2021 Bonds are subject to redemption at the option of the District prior to maturity, in whole or in part, on any date on or after May 1, 20[\_\_\_], at the Redemption Price of 100% of the principal amount to be redeemed plus accrued interest to the redemption date.

*Mandatory Redemption.* The Series 2021 Bonds maturing May 1, 20[\_\_\_], are subject to mandatory redemption in part by the District by lot prior to its scheduled maturity from moneys in the 2021 Sinking Fund Account established under the Supplemental Indenture in satisfaction of applicable Amortization Installments at a Redemption Price of 100% of the principal amount thereof, without premium, plus accrued interest to the redemption date, 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 2021 Bonds maturing May 1, 20[\_\_\_], are subject to mandatory redemption in part by the District by lot prior to its scheduled maturity from moneys in the 2021 Sinking Fund Account established under the Supplemental Indenture in satisfaction of applicable Amortization Installments at a Redemption Price of 100% of the principal amount thereof, without premium, plus accrued interest to the redemption date, 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 2021 Bonds maturing May 1, 20[\_\_\_], are subject to mandatory redemption in part by the District by lot prior to its scheduled maturity from moneys in the 2021 Sinking Fund Account established under the Supplemental Indenture in satisfaction of applicable Amortization Installments at a Redemption Price of 100% of the principal amount thereof, without premium, plus accrued interest to the redemption date, 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 2021 Bonds maturing May 1, 20[\_\_\_], are subject to mandatory redemption in part by the District by lot prior to its scheduled maturity from moneys in the 2021 Sinking Fund Account established under the Supplemental Indenture in satisfaction of applicable Amortization Installments at a Redemption Price of 100% of the principal amount thereof, without premium, plus accrued interest to the redemption date, 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

Any Series 2021 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 2021 Bonds. Upon redemption or purchase of the Series 2021 Bonds (other than redemption in accordance with scheduled Amortization Installments), the District shall cause to be recalculated and delivered to the Trustee revised Amortization Installments recalculated so that debt service on the Series 2021 Bonds is amortized in substantially equal annual installments of principal and interest (subject to rounding to Authorized Denominations of principal) over the remaining term of the Series 2021 Bonds.

Extraordinary Mandatory Redemption. The Series 2021 Bonds are subject to extraordinary mandatory redemption prior to scheduled maturity, in whole on any date or in part on any Quarterly Redemption Date, and if in part on a pro rata basis calculated by the District determined by the ratio of the Outstanding principal amount of each maturity of the Series 2021 Bonds treating for such purposes each Amortization Installment as a

maturity divided by the aggregate principal amount of Outstanding Series 2021 Bonds and as otherwise provided in the Indenture, at the Redemption Price of 100% of the principal amount thereof, without premium, plus accrued interest to the Quarterly Redemption Date, if and to the extent that any one or more of the following shall have occurred:

(a) On or after Completion Date of the 2021 Project by application of moneys transferred from the 2021 Acquisition and Construction Account to the 2021 Prepayment Account in accordance with the terms of the Indenture; or

(b) Amounts are deposited into the 2021 Prepayment Account from the prepayment of 2021 Special Assessments and from amounts deposited into the 2021 Prepayment Account from any other sources; or

(c) When the amount on deposit in the 2021 Reserve Account, together with other moneys available therefor are sufficient to pay and redeem all the Series 2021 Bonds then Outstanding as provided in the Supplemental Indenture.

**EXHIBIT B**

**[\$Bond Amount] Anabelle Island Community Development District  
Special Assessment Revenue Bonds, Series 2021**

**DISCLOSURE STATEMENT**

[BPA Date]

Anabelle Island Community Development District  
Clay 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 2021 Bonds"), MBS Capital Markets, LLC (the "Underwriter"), having purchased the Series 2021 Bonds pursuant to a Bond Purchase Agreement, dated as of [BPA Date] (the "Purchase Agreement"), between the Underwriter and Anabelle Island Community Development District (the "District"), makes the following disclosures in connection with the limited public offering and sale of the Series 2021 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 2021 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 2021 Bonds.

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

	<u>Per \$1,000</u>
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 2021 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 Chairman and Secretary, respectively, of the Board of Supervisors (the "Board") of Anabelle Island 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] Anabelle Island Community Development District Special Assessment Revenue Bonds, Series 2021 (the "Series 2021 Bonds"), as follows (terms used and not otherwise defined herein shall have the meaning ascribed to such terms in the Purchase Agreement):

1. Jim McDade is the duly appointed and acting Chairman of, and James A. Perry is the duly appointed and acting 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>
Jim McDade*	2025
Michael Russo*	2025
Darren Gowens*	2023
Kurt von der Osten <sup>[*]</sup>	2023
Rose Bock <sup>[*]</sup>	2023

\*Affiliated with the Developer or one of its affiliates.

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>
Jim McDade	Chairman
Michael Russo	Vice Chairman
Darren Gowens	Assistant Secretary
Kurt von der Osten	Assistant Secretary
Rose Bock	Assistant Secretary
James A. Perry	Secretary/Assistant Treasurer
Ernesto Torres	Assistant Secretary/Assistant Treasurer
James Oliver	Assistant Secretary/Assistant Treasurer
Marilee Giles	Treasurer/Assistant Secretary

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 April 26, 2021 and August [10], 2021, the Board duly adopted Resolution Nos. 2021-28 and 2021-[\_\_], 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 April 6, 2021, June 8, 2021 and September [14], 2021, the Board duly adopted Resolution Nos. 2021-27, 2021-32 and 2021-\_\_ (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 2021 Bonds or any documents related to the issuance of the Series 2021 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 2021 Special Assessments.

9. Upon authentication and delivery of the Series 2021 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 2021 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 2021 BONDS – Book-Entry Only System," "THE DISTRICT – District Manager and Other Consultants," "THE DEVELOPMENT," "THE DEVELOPER," "TAX MATTERS," "LITIGATION – Developer" 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 2021 Bonds or the imposition, levy and collection of the 2021 Special Assessments or the pledge thereof to the payment of the principal of, premium, if any, and interest on the Series 2021 Bonds, (b) questioning or affecting the validity of any provision of the Series 2021 Bonds, the Bond Resolution, the Assessment Resolution, the Financing Documents or the 2021 Special 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 2021 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 of Florida, (e) contesting or affecting the 2021 Special Assessments or the 2021 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 2021 Bonds from federal income taxation, or (h) contesting the exemption from taxation of the Series 2021 Bonds and the interest thereon under Florida law or the legality for investment therein.

15. To the best of our knowledge, the interest rates on the Series 2021 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 September, 2021.

(SEAL)

By: \_\_\_\_\_  
Jim McDade, Chairman,  
Board of Supervisors  
Anabelle Island  
Community Development District

By: \_\_\_\_\_  
James A. Perry, Secretary,  
Board of Supervisors  
Anabelle Island  
Community Development District

**EXHIBIT D**

**FORM OF DISTRICT COUNSEL OPINION**

[TO COME]

## EXHIBIT E

### FORM OF CERTIFICATE OF ASSESSMENT CONSULTANT

I, James A. Perry, Managing Director of Governmental Management Services, LLC ("GMS"), do hereby certify to Anabelle Island 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] Anabelle Island Community Development District Special Assessment Revenue Bonds, Series 2021 (the "Series 2021 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 2021 Bonds):

1. GMS has been retained by the District to prepare the [Master Special Assessment Methodology Report], dated [April 15], 2021, and the [Supplemental Special Assessment Methodology Report], dated [\_\_\_\_\_], 2021, comprising a part of the assessment proceedings of the District (collectively, the "Report");

2. the 2021 Special 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 2021 Bonds;

3. the 2021 Project provides a special benefit to the properties assessed and the 2021 Special Assessments are fairly and reasonably allocated to the properties assessed;

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

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

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

7. except as disclosed in the Limited Offering Memorandum, GMS 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; and

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.

IN WITNESS WHEREOF, the undersigned has executed this certificate as of the [ ] day of September, 2021.

**GOVERNMENTAL MANAGEMENT  
SERVICES, LLC**

By: \_\_\_\_\_  
James A. Perry, Managing Director



## EXHIBIT F

### FORM OF CERTIFICATE OF DISTRICT ENGINEER

[Closing Date]

Board of Supervisors  
Anabelle Island Community Development District  
Clay County, Florida

MBS Capital Markets, LLC  
Winter Park, Florida

Re: Anabelle Island Community Development District Special Assessment  
Revenue Bonds, Series 2021 (the "Series 2021 Bonds")

Ladies and Gentlemen:

The undersigned serves as the District Engineer to the Anabelle Island 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 2021 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 2021 Bonds (the "Limited Offering Memorandum").

1. Dunn & Associates, Inc. (the "Firm") has been retained by the District to serve as the District Engineer and to prepare the Master Engineer's Report, dated March 31, 2021 (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.

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 2021 Project. The 2021 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 2021 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 2021 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 2021 Project as described in the Limited Offering Memorandum will not be obtained as required. 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 Development as described in the Limited Offering Memorandum.

**DUNN & ASSOCIATES, INC.**

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

## EXHIBIT G

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

I, James A. Perry, Managing Director of Governmental Management Services, LLC ("GMS"), do hereby certify to Anabelle Island 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] Anabelle Island Community Development District Special Assessment Revenue Bonds, Series 2021 (the "Series 2021 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 2021 Bonds):

1. GMS has acted as District Manager to the District in connection with the issuance of the Series 2021 Bonds;

2. GMS 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 2021 Bonds, or in any way contesting or affecting the validity of the Series 2021 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 2021 Bonds, or the existence or powers of the District; and

5. GMS 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, GMS is aware of the continuing disclosure requirements set forth in the Disclosure Agreement and Rule 15c2-12 and GMS has policies and procedures in place to ensure its compliance with its obligations under the Disclosure Agreement.

**IN WITNESS WHEREOF**, the undersigned has executed this certificate as of the [day] day of September, 2021.

**GOVERNMENTAL MANAGEMENT  
SERVICES, LLC**

By: \_\_\_\_\_  
James A. Perry, Managing Director

## EXHIBIT H

### FORM OF CERTIFICATE OF DEVELOPER

The undersigned, the duly authorized representative of **KB HOME JACKSONVILLE LLC**, a Delaware limited liability company (the "Developer"), the developer of Anabelle Island (the "Development"), does hereby certify to the **ANABELLE ISLAND 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] Anabelle Island Community Development District Special Assessment Revenue Bonds, Series 2021 (the "Series 2021 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 2021 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 [Declaration of Consent to Jurisdiction of the District and to Imposition of Special Assessments for Series 2021 Bonds] dated [Closing Date], executed by the Developer as the landowner of the lands subject to the 2021 Special Assessments and recorded in the public records of Clay County, Florida (the "Declaration of Consent"), constitutes a valid and binding obligation of the Developer enforceable against the Developer in accordance with its 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 2021 PROJECT," "ASSESSMENT METHODOLOGY AND ALLOCATION OF ASSESSMENTS," "THE DEVELOPMENT," "THE DEVELOPER" AND "LITIGATION – Developer" and, with respect to the Developer and the Development, under the captions "INTRODUCTION," "BONDOWNERS' RISKS" and "CONTINUING DISCLOSURE" 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 Chapter 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 2021 Special Assessments on the lands in the District owned by the Developer. The levy of the 2021 Special 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 2021 Special 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 2021 Bonds have the debt service requirements set forth in the Limited Offering Memorandum and that the 2021 Special Assessments will be levied by the District at times, and in amounts sufficient, to enable the District to pay debt service on the Series 2021 Bonds when due (the foregoing is referred to as the "Debt Service Acknowledgment").

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, and further, the Developer is current in the payment of all ad valorem, federal and state taxes associated with the Development.

12. Except as otherwise disclosed in the Limited Offering Memoranda, there is no action, suit or proceedings at law or in equity by or before any court or public board or body pending or, solely to the best of our 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 as described in the Limited Offering Memoranda, including applying for all necessary permits. Except as otherwise described in the Limited Offering Memoranda, (a) the Development 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 Development 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 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 2021 Special Assessments imposed on lands in the District owned by the Developer within thirty (30) days following completion of the 2021 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 [\_\_\_] day of September, 2021.

**KB HOME JACKSONVILLE LLC,**  
a Delaware limited liability company

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

**EXHIBIT I**  
**FORM OF OPINION OF COUNSEL TO DEVELOPER**  
**[TO COME]**



## EXHIBIT J

### FORM OF ISSUE PRICE CERTIFICATE

#### ANABELLE ISLAND COMMUNITY DEVELOPMENT DISTRICT \$[Bond Amount] Special Assessment Revenue Bonds, Series 2021

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 2021 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 2021 Bonds (the "Purchase Agreement"). Pursuant to the terms of the Purchase Agreement, MBS made a bona fide limited offering of the Series 2021 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 2021 Bonds.

1. Sale of the Series 2021 Bonds. As of the date of this certificate, for each Maturity of the Series 2021 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 Anabelle Island Community Development District.

(b) *Maturity* means Series 2021 Bonds with the same credit and payment terms. Series 2021 Bonds with different maturity dates, or Series 2021 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 2021 Bonds. The Sale Date of the Series 2021 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 2021 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 2021 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 2021 Bonds to the Public).

3. Reserve Account. A reserve account in an amount equal to the 2021 Reserve Account Requirement was necessary in order to market and sell the Series 2021 Bonds given the nature of the Series 2021 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 Arbitrage Certificate executed by the District in connection with the issuance, sale and delivery of the Series 2021 Bonds and with respect to compliance with the federal income tax rules affecting the Series 2021 Bonds, and by Bond Counsel in connection with rendering its opinion that the interest on the Series 2021 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 2021 Bonds.

**MBS CAPITAL MARKETS, LLC**

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

Dated: [Closing Date]

**SCHEDULE A**  
**SALE PRICES OF THE SERIES 2021 BONDS**  
*(Attached)*



**PRELIMINARY LIMITED OFFERING MEMORANDUM DATED AUGUST [ ], 2021**

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

**NOT RATED**

*In the opinion of Bond Counsel, assuming compliance with existing statutes, regulations, published rulings and court decisions, and assuming continuing compliance by the District with the tax covenants set forth in the Indenture, and the accuracy of certain representations included in the closing transcript for the Series 2021 Bonds, interest on the Series 2021 Bonds is, under Section 103 of the Code, excludable from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax. However, see "TAX MATTERS" herein for a description of certain other federal tax consequences of ownership of the Series 2021 Bonds. Bond Counsel is further of the opinion that, pursuant to the Act, the Series 2021 Bonds and the interest thereon are exempt from taxation under the laws of the State of Florida, except as to estate taxes and taxes imposed by Chapter 220, Florida Statutes, on interest, income or profits on debt obligations owned by corporations as defined in Chapter 220.*

**ANABELLE ISLAND COMMUNITY DEVELOPMENT DISTRICT  
(Clay County, Florida)  
\$[Bond Amount]\* Special Assessment Revenue Bonds, Series 2021**

Dated: Date of original issuance

Due: May 1, as shown below

The \$[Bond Amount]\* Anabelle Island Community Development District Special Assessment Revenue Bonds, Series 2021 (the "Series 2021 Bonds"), are being issued by the Anabelle Island Community Development District (the "District") pursuant to a Master Trust Indenture dated as of September 1, 2021 (the "Master Indenture"), between the District and U.S. Bank National Association, as trustee (the "Trustee"), as supplemented by a First Supplemental Trust Indenture dated as of September 1, 2021, 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 2021 Bonds are being issued only in fully registered form, in denominations of \$5,000 and integral multiples of \$5,000 in excess thereof; provided, however, that delivery of the Series 2021 Bonds to the initial purchasers thereof shall be in principal amounts of \$100,000 or integral multiples of \$5,000 in excess thereof. The District was created pursuant to the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes (the "Act"), the Florida Constitution, and other applicable provisions of law and established by Ordinance No. 2021-10, enacted by the Board of County Commissioners of Clay County, Florida (the "County"), on March 23, 2021, effective March 25, 2021 (the "Ordinance").

The Series 2021 Bonds are payable from and secured by the 2021 Trust Estate, which includes the 2021 Pledged Revenues and the 2021 Pledged Funds. The 2021 Pledged Revenues consist of the revenues derived by the District from the 2021 Special Assessments (as further described herein). The 2021 Pledged Funds include all of the Funds and Accounts (except for the 2021 Rebate Account and the 2021 Costs of Issuance Account) established by the Indenture. See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2021 BONDS" herein.

The Series 2021 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 2021 Bonds will be made in book-entry only form. Accordingly, principal of and interest on the Series 2021 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 2021 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 2021 Bond. See "DESCRIPTION OF THE SERIES 2021 BONDS – Book-Entry Only System" herein. The Series 2021 Bonds will bear interest at the fixed rates set forth below, computed on the basis of a 360-day year of twelve 30-day months. Interest on the Series 2021 Bonds is payable semi-annually on each May 1 and November 1, commencing November 1, 2021.

**The Series 2021 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 2021 BONDS – Redemption Provisions" herein.**

The District will apply the proceeds of the Series 2021 Bonds to (a) finance the Cost of acquisition, construction, installation and equipping of a portion of the 2021 Project (as defined herein), (b) pay certain costs associated with the issuance of the Series 2021 Bonds, (c) pay a portion of the interest accruing on the Series 2021 Bonds, and (d) fund the 2021 Reserve Account as provided in the Supplemental Indenture.

NEITHER THE SERIES 2021 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 2021 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 2021 BONDS. RATHER, DEBT SERVICE AND ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE INDENTURE, OR THE SERIES 2021 BONDS, SHALL BE PAYABLE SOLELY FROM, AND SHALL BE SECURED SOLELY BY, THE 2021 TRUST ESTATE PLEDGED TO THE SERIES 2021 BONDS, ALL AS PROVIDED IN THE INDENTURE.

THE SERIES 2021 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 2021 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 2021 BONDS TO

ACCREDITED INVESTORS DOES NOT DENOTE RESTRICTIONS ON TRANSFERS IN ANY SECONDARY MARKET FOR THE SERIES 2021 BONDS. THE SERIES 2021 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 2021 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 2021 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 2021 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 2021 Bond Due May 1, 20\_\_ Yield \_\_\_\_% Price \_\_ CUSIP No.† \_\_\_\_\_  
\$ \_\_\_\_\_ % Term Series 2021 Bond Due May 1, 20\_\_ Yield \_\_\_\_% Price \_\_ CUSIP No.† \_\_\_\_\_  
\$ \_\_\_\_\_ % Term Series 2021 Bond Due May 1, 20\_\_ Yield \_\_\_\_% Price \_\_ CUSIP No.† \_\_\_\_\_  
\$ \_\_\_\_\_ % Term Series 2021 Bond Due May 1, 20\_\_ Yield \_\_\_\_% Price \_\_ CUSIP No.† \_\_\_\_\_

*The Series 2021 Bonds are offered for delivery when, as and if issued by the District and accepted by the Underwriter, subject to prior sale, withdrawal or modification of the offer and the receipt of the opinion of Akerman LLP, Jacksonville, Florida, Bond Counsel, as to the validity of the Series 2021 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, KE Law Group, PLLC, Tallahassee, Florida, for the Developer by its in-house counsel, for the Trustee by its counsel, Aponte & Associates Law Firm, P.L.L.C., Orlando, Florida, and for the Underwriter by its counsel, Nabors, Giblin & Nickerson, P.A., Tampa, Florida. It is expected that the Series 2021 Bonds will be available for delivery through the facilities of The Depository Trust Company, New York, New York on or about \_\_\_\_\_, 2021.*

**MBS Capital Markets, LLC**

Dated: \_\_\_\_\_, 2021

\* 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 2021 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 2021 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.



**ANABELLE ISLAND COMMUNITY DEVELOPMENT DISTRICT**

**BOARD OF SUPERVISORS**

Jim McDade\*, Chairman  
Michael Russo\*, Vice Chairman  
Darren Gowens\*, Assistant Secretary  
Kurt von der Osten<sup>†</sup>\*, Assistant Secretary  
Rose Bock<sup>†</sup>\*, Assistant Secretary

**DISTRICT MANAGER/ASSESSMENT CONSULTANT**

Governmental Management Services, LLC  
St. Augustine, Florida

**DISTRICT COUNSEL**

KE Law Group, PLLC  
Tallahassee, Florida

**DISTRICT ENGINEER**

Dunn & Associates, Inc.  
Jacksonville, Florida

**BOND COUNSEL**

Akerman LLP  
Jacksonville, Florida

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\* Affiliated with the Developer or one of its affiliates

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

No dealer, broker, salesman or other person has been authorized by the District, Clay County, Florida, the State of Florida or the Underwriter to give any information or to make any representations other than those contained in this Limited Offering Memorandum and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Limited Offering Memorandum does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2021 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 District Engineer, the Assessment Consultant, the Developer 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 District 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 2021 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 2021 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, Clay County, Florida, the State of Florida, nor any of its subdivisions or agencies have guaranteed or passed upon the merits of the Series 2021 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 does not plan to issue any updates or revisions to those forward-looking statements if or when any of its expectations or events, conditions or circumstances on which such statements are based occur, other than as described under "CONTINUING DISCLOSURE" herein.

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 such websites.

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.

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 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).

## TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTION.....	1
SUITABILITY FOR INVESTMENT.....	3
DESCRIPTION OF THE SERIES 2021 BONDS.....	4
General Description.....	4
Redemption Provisions.....	5
Notice of Redemption.....	7
Book-Entry Only System.....	8
SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2021 BONDS.....	10
General.....	10
Limitation on Additional Debt.....	11
Funds and Accounts.....	12
2021 Reserve Account.....	12
2021 Revenue Account.....	13
2021 Acquisition and Construction Account.....	15
Application of Prepayment Principal.....	15
Collateral Assignment.....	16
Completion Agreement.....	16
True Up Agreement.....	16
Enforcement of Completion Agreement and True Up Agreement.....	17
Events of Default and Remedies.....	17
Provisions Relating to Bankruptcy or Insolvency of Landowner.....	19
Enforcement and Collection of 2021 Special Assessments.....	20
Additional Covenants Regarding Assessments.....	22
Re-Assessment.....	22
ENFORCEMENT OF ASSESSMENT COLLECTIONS.....	23
General.....	23
Direct Billing & Foreclosure Procedure.....	23
Uniform Method Procedure.....	24
THE DISTRICT.....	27
General.....	27
Legal Powers and Authority.....	27
Board of Supervisors.....	28
District Manager and Other Consultants.....	29
THE CAPITAL IMPROVEMENT PROGRAM AND THE 2021 PROJECT.....	30
ASSESSMENT METHODOLOGY AND ALLOCATION OF ASSESSMENTS.....	31
THE DEVELOPMENT.....	32
General.....	32
Land Acquisition/Development Financing.....	32
Zoning.....	33
Product Type/Phasing.....	34
Permitting.....	34
Environmental.....	34
Utilities.....	34
Home Construction/Sales Activity.....	35
Projected Absorption.....	35

Residential Product Offerings .....	35
Recreational Facilities .....	35
Marketing .....	36
Education .....	36
Fees and Assessments.....	36
Competition .....	37
<b>THE DEVELOPER .....</b>	<b>38</b>
<b>BONDOWNERS' RISKS .....</b>	<b>39</b>
Limited Pledge.....	39
Concentration of Land Ownership and Bankruptcy Risks .....	39
Delay and Discretion Regarding Remedies .....	40
Limitation on Funds Available to Exercise Remedies .....	40
Determination of Land Value upon Default .....	40
Landowner Challenge of Assessed Valuation.....	41
Failure to Comply with Assessment Proceedings .....	41
Other Taxes and Assessments.....	41
Limited Secondary Market .....	42
Inadequacy of 2021 Reserve Account .....	42
Regulatory and Environmental Risks.....	42
Economic Conditions.....	43
Infectious Viruses and/or Diseases .....	43
Cybersecurity.....	43
Damage to District from Natural Disasters .....	44
Change in Development Plans .....	44
Completion of CIP .....	44
District May Not be Able to Obtain Permits .....	44
Prepayment and Redemption Risk.....	45
Interest Rate Risk; No Rate Adjustment for Taxability .....	45
IRS Examination and Audit Risk.....	45
Legislative Proposals and State Tax Reform.....	47
Loss of Exemption from Securities Registration .....	48
Performance of District Professionals.....	48
No Rating or Credit Enhancement.....	48
Mortgage Default and FDIC.....	48
<b>ESTIMATED SOURCES AND USES OF BOND PROCEEDS .....</b>	<b>49</b>
<b>DEBT SERVICE REQUIREMENTS.....</b>	<b>50</b>
<b>TAX MATTERS .....</b>	<b>51</b>
General .....	51
Collateral Tax Consequences.....	51
Other Tax Matters .....	52
Original Issue Discount .....	52
Information Reporting and Backup Withholding.....	53
<b>DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS.....</b>	<b>53</b>
<b>VALIDATION.....</b>	<b>54</b>
<b>LITIGATION .....</b>	<b>54</b>
District .....	54
Developer .....	54
<b>CONTINUING DISCLOSURE.....</b>	<b>54</b>

UNDERWRITING.....	55
LEGAL MATTERS.....	55
AGREEMENT BY THE STATE.....	56
FINANCIAL INFORMATION.....	56
EXPERTS AND CONSULTANTS.....	56
CONTINGENT AND OTHER FEES .....	57
NO RATING OR CREDIT ENHANCEMENT.....	57
MISCELLANEOUS.....	57

APPENDICES:

APPENDIX A	ENGINEER'S REPORT
APPENDIX B	ASSESSMENT REPORT
APPENDIX C	FORMS OF MASTER INDENTURE AND SUPPLEMENTAL INDENTURE
APPENDIX D	FORM OF OPINION OF BOND COUNSEL
APPENDIX E	FORM OF CONTINUING DISCLOSURE AGREEMENT

# LIMITED OFFERING MEMORANDUM

relating to

## ANABELLE ISLAND COMMUNITY DEVELOPMENT DISTRICT (Clay County, Florida) \$[Bond Amount]\* Special Assessment Revenue Bonds, Series 2021

### INTRODUCTION

The purpose of this Limited Offering Memorandum, including the cover page and appendices hereto, is to set forth certain information concerning the Anabelle Island Community Development District (the "District") in connection with the offering and issuance by the District of its \$[Bond Amount]\* Special Assessment Revenue Bonds, Series 2021 (the "Series 2021 Bonds"). The Series 2021 Bonds are being issued pursuant to the Act (hereinafter defined) and a Master Trust Indenture dated as of September 1, 2021 (the "Master Indenture"), between the District and U.S. Bank National Association, as trustee (the "Trustee"), as supplemented by a First Supplemental Trust Indenture dated as of September 1, 2021, 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 on April 6, 2021 and August [10], 2021, authorizing the issuance of the Series 2021 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, the form of 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. 2021-10, enacted by the Board of County Commissioners of Clay County, Florida (the "County"), on March 23, 2021, effective March 25, 2021 (the "Ordinance"). The District was established for the purpose, among other things, of financing and managing the acquisition and construction, maintenance, and operation of public infrastructure and other public facilities within and without the boundaries of the District. The boundaries of the District include approximately 164.13 acres of land located entirely within an unincorporated area of the County (the "District Lands"). For more complete information about the District, its Governing Body, and the District Manager, 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.

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

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\* Preliminary, subject to change.

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 2021 Bonds as described herein.

Consistent with the requirements of the Indenture and the Ordinance, the Series 2021 Bonds are being issued in order to provide funds to (a) finance the Cost of acquisition, construction, installation and equipping of certain assessable improvements (as more fully described herein, the "2021 Project"), (b) pay certain costs associated with the issuance of the Series 2021 Bonds, (c) pay a portion of the interest accruing on the Series 2021 Bonds, and (d) fund the 2021 Reserve Account as provided in the Supplemental Indenture.

The District is currently planned to include 370 single-family residential units and various amenities including a clubhouse, a large resort-style pool, splash pad, playgrounds, open playing fields and a tot lot. The District's capital improvement program (the "CIP") consists of certain infrastructure improvements for the special benefit of the District Lands. See "THE CAPITAL IMPROVEMENT PROGRAM AND THE 2021 PROJECT" and "THE DEVELOPMENT" herein.

The Series 2021 Bonds are payable from and secured by the revenues derived by the District from the 2021 Special Assessments (hereinafter defined) and amounts in the Funds and Accounts (except for the 2021 Rebate Account and the 2021 Costs of Issuance Account) established by the Indenture. Special Assessments imposed, levied and collected by the District with respect to property specially benefited by the 2021 Project (the "2021 Special Assessments") will be initially levied against all gross developable and unplatted acreage within the District, but ultimately assigned to approximately 370 platted units planned for the District that are subject to assessment as a result of the 2021 Project as described in the Assessment Report (hereinafter defined).

The 2021 Special Assessments represent an allocation of the costs of the 2021 Project, including bond financing costs, to the lands within the District benefited by the 2021 Project in accordance with the Assessment Report. The Assessment Report and assessment resolutions with respect to the 2021 Special Assessments (collectively, the "Assessment Proceedings") permit the prepayment in part or in full of the 2021 Special Assessments at any time without penalty. See "ASSESSMENT METHODOLOGY AND ALLOCATION OF ASSESSMENTS" and "THE DEVELOPMENT – Fees and Assessments" herein.

Subsequent to the issuance of the Series 2021 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 financing the Cost of acquisition or construction of a Project or to refund all or a portion of a Series of Bonds (and to pay the costs of the issuance of such Bonds and to pay the amounts required to be deposited with respect to such Bonds in the Funds and Accounts established under the Indenture). The District covenants and agrees in the Supplemental Indenture that other than Bonds issued to refund a portion of Outstanding Series 2021 Bonds, the issuance of which as determined by the District results in present value debt service savings, the District shall not, while any Series 2021 Bonds are Outstanding, issue or incur any debt payable in whole or in part from the 2021 Trust Estate. In addition, the District covenants in the Supplemental Indenture not to issue any other Bonds or other debt obligations secured by Special Assessments on assessable lands which are also encumbered by the 2021 Special Assessments for any capital



project unless the 2021 Special Assessments have been Substantially Absorbed; provided, however, that the foregoing shall not preclude the imposition of Special Assessments on property subject to the 2021 Special Assessments which, as determined by the District, are necessary for health, safety, and welfare reasons or to remediate a natural disaster. The District may issue Bonds or other debt obligations secured by Special Assessments on assessable lands not encumbered by the 2021 Special Assessments without limitation except as limited by the documents pursuant to which such Bonds or debt are issued. "Substantially Absorbed" is defined in the Supplemental Indenture to mean the date at least ninety percent (90%) of the principal portion of the 2021 Special Assessments have been assigned to residential units that have received certificates of occupancy. See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2021 BONDS - Limitation on Additional Debt" herein.

There follows in this Limited Offering Memorandum a brief description of the District and the Development (hereinafter defined), together with summaries of the terms of the Series 2021 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 2021 Bonds are qualified by reference to the definitive form thereof and the information with respect thereto contained in the Indenture, the form of which appears as composite APPENDIX C attached hereto.

### **SUITABILITY FOR INVESTMENT**

Investment in the Series 2021 Bonds poses certain economic risks. No dealer, broker, salesman or other person has been authorized by the District or the Underwriter to give any information or make any representations, other than those contained in this Limited Offering Memorandum. 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 2021 Bonds. Prospective investors are encouraged to request such additional information, visit the District and ask such questions.

While the Series 2021 Bonds are not subject to registration under the Securities Act of 1933, as amended (the "Securities Act"), the Underwriter has determined that the Series 2021 Bonds are not suitable for investment by persons other than, and as required by Chapter 189, Florida Statutes, will offer the Series 2021 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 2021 Bonds. Prospective investors in the Series 2021 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 2021 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 2021 BONDS

### General Description

The Series 2021 Bonds are issuable as fully registered bonds, without coupons, in denominations of \$5,000 and integral multiples of \$5,000 in excess thereof; provided, however, that delivery of the Series 2021 Bonds to the initial purchasers thereof shall be in principal amounts of \$100,000 or integral multiples of \$5,000 in excess thereof.

The Series 2021 Bonds will be dated their date of issuance and delivery to the initial purchasers thereof and will bear interest payable on each May 1 and November 1, commencing November 1, 2021 (each, an "Interest Payment Date") and shall be computed on the basis of a 360-day year of twelve 30-day months. The Series 2021 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.

Both the principal of and the interest on the Series 2021 Bonds shall be payable in any coin or currency of the United States of America which is legal tender on the respective dates of payment thereof for the payment of public and private debts. Unless otherwise provided in the Indenture in connection with a book-entry only system of registration of the Series 2021 Bonds, the principal of the Series 2021 Bonds shall be payable at the designated corporate trust office of the Paying Agent upon the presentation and surrender of such Series 2021 Bonds as the same shall become due and payable. Except to the extent otherwise provided in the Indenture in connection with a book-entry only system of registration of the Series 2021 Bonds, interest on any Series 2021 Bond is payable on any Interest Payment Date by check or draft mailed on the Interest Payment Date to the person in whose name that Series 2021 Bond is registered at the close of business on the Regular Record Date for such Interest Payment Date, at his address as it appears on the Bond Register. Each Series 2021 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 2021 Bond has been paid, in which event such Series 2021 Bond shall bear interest from its date of authentication, or (b) is prior to the first Interest Payment Date for the Series 2021 Bonds, in which event such Series 2021 Bond shall bear interest from its date.

Any interest on any Series 2021 Bond which is payable but is not punctually paid or provided for on any Interest Payment Date (hereinafter called "Defaulted Interest") shall be paid to the Owner in whose name the Series 2021 Bond is registered at the close of business on a Special Record Date to be fixed by the Trustee, such date to be not more than fifteen (15) nor less than ten (10) days prior to the date of proposed payment. The Trustee shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first-class, postage-prepaid, to each Owner of record as of the fifth (5<sup>th</sup>) day prior to such mailing, at his address as it appears in the Bond Register. The foregoing notwithstanding, but subject to the procedures set forth in the Indenture in connection with a book-entry only system of registration, any Owner of Series 2021 Bonds in an aggregate principal amount of at least \$1,000,000 shall be entitled to have interest paid by wire transfer to such Owner to the bank account number on file with the Trustee and Paying Agent, upon requesting the same in a writing received by the Trustee and Paying Agent at least fifteen (15) days prior to the relevant Record Date, which writing shall specify the bank, which shall

be a bank within the continental United States, and bank account number to which interest payments are to be wired. Any such request for interest payments by wire transfer shall remain in effect until rescinded or changed, in a writing delivered by the Owner to the Trustee and Paying Agent, and any such rescission or change of wire transfer instructions must be received by the Trustee and Paying Agent at least fifteen (15) days prior to the relevant Record Date.

The Series 2021 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 2021 Bonds and, so long as the Series 2021 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 2021 Bonds are subject to redemption at the option of the District prior to maturity, in whole or in part, on any date on or after May 1, 20\_\_\_, at the Redemption Price of 100% of the principal amount to be redeemed plus accrued interest to the redemption date.

*Mandatory Redemption.* The Series 2021 Bonds maturing May 1, 20\_\_\_, are subject to mandatory redemption in part by the District by lot prior to its scheduled maturity from moneys in the 2021 Sinking Fund Account established under the Supplemental Indenture in satisfaction of applicable Amortization Installments at a Redemption Price of 100% of the principal amount thereof, without premium, plus accrued interest to the redemption date, 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 2021 Bonds maturing May 1, 20\_\_\_, are subject to mandatory redemption in part by the District by lot prior to its scheduled maturity from moneys in the 2021 Sinking Fund Account established under the Supplemental Indenture in satisfaction of applicable Amortization Installments at a Redemption Price of 100% of the principal amount thereof, without premium, plus accrued interest to the redemption date, 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 2021 Bonds maturing May 1, 20\_\_\_, are subject to mandatory redemption in part by the District by lot prior to its scheduled maturity from moneys in the 2021 Sinking Fund Account established under the Supplemental Indenture in satisfaction of applicable Amortization Installments at a Redemption Price of 100% of the principal amount thereof, without premium, plus accrued interest to the redemption date, 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 2021 Bonds maturing May 1, 20\_\_\_, are subject to mandatory redemption in part by the District by lot prior to its scheduled maturity from moneys in the 2021 Sinking Fund Account established under the Supplemental Indenture in satisfaction of applicable Amortization Installments at a Redemption Price of 100% of the principal amount thereof, without premium, plus accrued interest to the redemption date, 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

Any Series 2021 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 2021 Bonds. Upon redemption or purchase of the Series 2021 Bonds (other than redemption in accordance with scheduled Amortization Installments), the District shall cause to be recalculated and delivered to the Trustee revised Amortization Installments recalculated so that Debt Service on the Series 2021 Bonds is amortized in substantially equal annual installments of principal and interest (subject to rounding to Authorized Denominations of principal) over the remaining term of the Series 2021 Bonds.

*Extraordinary Mandatory Redemption.* The Series 2021 Bonds are subject to extraordinary mandatory redemption prior to scheduled maturity, in whole on any date or in part on any Quarterly Redemption Date, and if in part on a pro rata basis calculated by the District determined by the ratio of the Outstanding principal amount of each maturity of the Series 2021 Bonds treating for such purposes each Amortization Installment as a maturity

divided by the aggregate principal amount of Outstanding Series 2021 Bonds and as otherwise provided in the Indenture, at the Redemption Price of 100% of the principal amount thereof, without premium, plus accrued interest to the Quarterly Redemption Date, if and to the extent that any one or more of the following shall have occurred:

(a) On or after Completion Date of the 2021 Project by application of moneys transferred from the 2021 Acquisition and Construction Account to the 2021 Prepayment Account in accordance with the terms of the Indenture; or

(b) Amounts are deposited into the 2021 Prepayment Account from the prepayment of 2021 Special Assessments and from amounts deposited into the 2021 Prepayment Account from any other sources; or

(c) When the amount on deposit in the 2021 Reserve Account, together with other moneys available therefor are sufficient to pay and redeem all the Series 2021 Bonds then Outstanding as provided in the Supplemental Indenture.

If less than all of the Series 2021 Bonds of a maturity subject to redemption shall be called for redemption, the particular such Series 2021 Bonds or portions of such Series 2021 Bonds of that maturity to be redeemed shall be selected by lot by the Registrar as provided in the Indenture.

### **Notice of Redemption**

When required to redeem or purchase Series 2021 Bonds under any provision of the Indenture or directed to do so by the District, the Trustee shall cause notice thereof to be mailed at least thirty (30) but not more than sixty (60) days prior to the redemption or purchase date to all Owners of Series 2021 Bonds to be redeemed or purchased (as such Owners appear on the Bond Register on the fifth (5<sup>th</sup>) day prior to such mailing), at their registered addresses, but failure to mail any such notice or defect in the notice or in the mailing thereof shall not affect the validity of the redemption or purchase of the Series 2021 Bonds for which notice was duly mailed in accordance with the Indenture. The District shall, when it is directing the Trustee to mail such notice, provide written direction to the Trustee at least sixty (60) days (unless the Trustee agrees to a shorter period) prior to the date on which the Trustee is required to send notice under the Indenture. Such notice shall be given in the name of the District, shall be dated, shall set forth the Series 2021 Bonds Outstanding which shall be called for redemption or purchase and shall include, without limitation, the following additional information: (a) the redemption or purchase date; (b) the redemption or purchase price; (c) CUSIP numbers, to the extent applicable, and any other distinctive numbers and letters; (d) if less than all Outstanding Series 2021 Bonds to be redeemed or purchased, the identification (and, in the case of partial redemption, the respective principal amounts) of the Series 2021 Bonds to be redeemed or purchased; (e) that on the redemption or purchase date the Redemption Price or purchase price will become due and payable upon surrender of each such Series 2021 Bond or portion thereof called for redemption or purchase, and that interest thereon shall cease to accrue from and after said date; and (f) the place where such Series 2021 Bonds are to be surrendered for payment of the redemption or purchase price, which place of payment shall be a corporate trust office of the Trustee.

If at the time of mailing of notice of an optional redemption or purchase, the District shall not have deposited with the Trustee or Paying Agent moneys sufficient to redeem or purchase all the Series 2021 Bonds called for redemption or purchase, such notice shall state that the redemption is conditional and is subject to the deposit of the redemption or purchase moneys with the Trustee or Paying Agent, as the case may be, not later than the redemption or purchase date, and such notice shall be of no effect unless such moneys are so deposited.

### **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 2021 Bonds. The Series 2021 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 each Series of the Series 2021 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. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of the Series 2021 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for such Series 2021 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2021 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 2021 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 2021 Bonds, except in the event that use of the book-entry system for the Series 2021 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2021 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 2021 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 2021 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2021 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 2021 Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such Series 2021 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 2021 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 2021 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 2021 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 2021 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 2021 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 2021 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 2021 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 2021 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 2021 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 2021 BONDS**

### **General**

The Series 2021 Bonds are payable from and secured by the revenues derived by the District from the 2021 Special Assessments and amounts in the Funds and Accounts (except for the 2021 Rebate Account and the 2021 Costs of Issuance Account) established by the Indenture. 2021 Special Assessments will be levied and collected on the lands within the District specifically benefited by the 2021 Project, and shall not include Special Assessments imposed, levied and collected by the District with respect to property within the District not so specially benefited.

The 2021 Special Assessments represent an allocation of the costs of the 2021 Project, including bond financing costs, to the District Lands in accordance with the Assessment Report, attached hereto as composite APPENDIX B.

"Special Assessments" is defined in the Master Indenture to mean (a) the "special assessments," as provided for in Sections 190.011(14) and 190.022 of the Act against District Lands that are subject to assessment as a result of a particular Project or any portion thereof, and (b) the "benefit special assessments," as provided for in Section 190.021(2) of the Act, against THE lands within the District that are subject to assessment as a result of a particular Project or any portion thereof, and in the case of both "special assessments" and "benefit special assessments," including the interest and penalties on such assessments, pursuant to all applicable provisions of the Act and Chapter 170, Florida Statutes, and Chapter 197, Florida Statutes (and any successor statutes thereto), including, without limitation, any amount received from any foreclosure proceeding for the enforcement of collection of such assessments or from the issuance and sale of tax certificates with respect to such assessments, less (to the extent applicable) the fees and costs of collection thereof



payable to the Tax Collector and less certain administrative costs payable to the Property Appraiser pursuant to the Property Appraiser and Tax Collector Agreement. "Special Assessments" shall not include "special assessments" levied and collected by the District under Section 190.022 of the Act for maintenance purposes or "maintenance special assessments" levied and collected by the District under Section 190.021(3) of the Act.

"Delinquent Assessment Interest" is defined in the Supplemental Indenture to mean Assessment Interest deposited with the Trustee after the date on which such Assessment Interest has become due and payable in accordance with applicable law or proceedings of the District.

"Delinquent Assessment Principal" is defined in the Supplemental Indenture to mean Assessment Principal deposited with the Trustee after the date on which such Assessment Principal has become due and payable in accordance with applicable law or proceedings of the District.

NEITHER THE SERIES 2021 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 2021 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 2021 BONDS. RATHER, DEBT SERVICE AND ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE INDENTURE, OR THE SERIES 2021 BONDS, SHALL BE PAYABLE SOLELY FROM, AND SHALL BE SECURED SOLELY BY, THE 2021 TRUST ESTATE PLEDGED TO THE SERIES 2021 BONDS, ALL AS PROVIDED IN THE INDENTURE.

### **Limitation on Additional Debt**

The District covenants and agrees in the Supplemental Indenture that other than Bonds issued to refund a portion of Outstanding Series 2021 Bonds, the issuance of which as determined by the District results in present value debt service savings, the District shall not, while any Series 2021 Bonds are Outstanding, issue or incur any debt payable in whole or in part from the 2021 Trust Estate. In addition, the District covenants in the Supplemental Indenture not to issue any other Bonds or other debt obligations secured by Special Assessments on assessable lands which are also encumbered by the 2021 Special Assessments for any capital project unless the 2021 Special Assessments have been Substantially Absorbed; provided, however, that the foregoing shall not preclude the imposition of Special Assessments on property subject to the 2021 Special Assessments which, as determined by the District, are necessary for health, safety, and welfare reasons or to remediate a natural disaster. The District may issue Bonds or other debt obligations secured by Special Assessments on assessable lands not encumbered by the 2021 Special Assessments without limitation except as limited by the documents pursuant to which such

Bonds or debt are issued. "Substantially Absorbed" is defined in the Supplemental Indenture to mean the date at least ninety percent (90%) of the principal portion of the 2021 Special Assessments have been assigned to residential units that have received certificates of occupancy.

WHILE NO FUTURE ADDITIONAL BONDS WILL BE PAYABLE FROM OR SECURED BY THE 2021 SPECIAL ASSESSMENTS PLEDGED AS SECURITY FOR THE SERIES 2021 BONDS, THE DISTRICT, THE COUNTY, THE SCHOOL BOARD OF CLAY COUNTY, FLORIDA, THE STATE OR ANY OTHER 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 SPECIAL ASSESSMENTS WHICH INCLUDES THE 2021 SPECIAL ASSESSMENTS SECURING THE SERIES 2021 BONDS. See "- Enforcement and Collection of 2021 Special Assessments" below and "ASSESSMENT METHODOLOGY AND ALLOCATION OF ASSESSMENTS" herein.

### **Funds and Accounts**

The Indenture requires that the Trustee establish the following funds and accounts: (a) within the Acquisition and Construction Fund, a 2021 Acquisition and Construction Account and a 2021 Costs of Issuance Account; (b) within the Debt Service Fund, a 2021 Sinking Fund Account and a 2021 Interest Account; (c) within the Bond Redemption Fund, a 2021 Prepayment Account and a 2021 Optional Redemption Account; (d) within the Debt Service Reserve Fund, a 2021 Reserve Account, which account shall be held for the benefit of all of the Series 2021 Bonds without distinction as to Series 2021 Bonds and without privilege or priority of one Series 2021 Bond over another; (e) within the Revenue Fund, a 2021 Revenue Account; and (f) within the Rebate Fund, a 2021 Rebate Account.

### **2021 Reserve Account**

On the date of issuance and delivery of the Series 2021 Bonds, proceeds in the amount of the 2021 Reserve Account Requirement will be deposited to the 2021 Reserve Account. "2021 Reserve Account Requirement" is defined in the Supplemental Indenture to mean initially an amount equal to fifty (50%) of the maximum annual Debt Service Requirement for the Series 2021 Bonds calculated from time to time which is initially \$\_\_\_\_\_. For the purpose of calculating the 2021 Reserve Account Requirement, maximum annual Debt Service Requirement shall be calculated as of the date of the original issuance and delivery of the Series 2021 Bonds and recalculated in connection with each extraordinary mandatory redemption of the Series 2021 Bonds (but not upon the optional or mandatory sinking fund redemption thereof).

Amounts on deposit in the 2021 Reserve Account except as provided elsewhere in the Indenture shall be used only for the purpose of making payments into the 2021 Interest Account and the 2021 Sinking Fund Account to pay the Series 2021 Bonds when due, without distinction as to Series 2021 Bonds and without privilege or priority of one Series 2021 Bond over another, when the moneys on deposit in such Accounts and available therefor are insufficient.

The Trustee, on each March 15, June 15, September 15 and December 15 (or if such day is not a Business Day, on the Business Day next preceding such day), after taking into account all payments and transfers made as of such date, shall compute the value of the 2021 Reserve Account and shall promptly notify the District of the amount of any deficiency or surplus as of such date in such account. The District shall immediately pay the amount of any deficiency to the Trustee, for deposit in the 2021 Reserve Account, from the first legally available sources of the District. Any such surplus in the 2021 Reserve Account shall be deposited to the 2021 Prepayment Account.

All earnings on investments in the 2021 Reserve Account shall be deposited to the 2021 Revenue Account provided no deficiency exists in the 2021 Reserve Account except that prior to the Completion Date of the 2021 Project earnings shall be deposited to the 2021 Acquisition and Construction Account if a deficiency does not exist in the 2021 Reserve Account and if a deficiency does exist earnings shall remain on deposit in the 2021 Reserve Account until the deficiency is cured. Such Account shall consist only of cash and Investment Securities.

Notwithstanding the foregoing on the earliest date on which there is on deposit in the 2021 Reserve Account, sufficient monies, taking into account other monies available therefor, to pay and redeem all of the Outstanding Series 2021 Bonds, together with accrued interest on such Series 2021 Bonds to the earliest date of redemption, then the Trustee shall transfer to the 2021 Prepayment Account the amount on deposit in the 2021 Reserve Account to pay and redeem all of the Outstanding Series 2021 Bonds on the earliest such date.

### **2021 Revenue Account**

Upon deposit of the revenues from the 2021 Special Assessments including the interest thereon with the Trustee, the District shall provide the Trustee a written accounting setting forth the amounts of such 2021 Special Assessments in the following categories which shall be deposited by the Trustee into the Funds and Accounts established under the Indenture as follows: (a) Assessment Interest, which shall be deposited into the 2021 Interest Account; (b) Assessment Principal, which shall be deposited into the 2021 Sinking Fund Account; (c) Prepayment Principal, which shall be deposited into the 2021 Prepayment Account; (d) Delinquent Assessment Principal, which shall first be applied to restore the amount of any withdrawal from the 2021 Reserve Account to pay the principal of Series 2021 Bonds, to the extent that less than the 2021 Reserve Account Requirement is on deposit in the 2021 Reserve Account and the balance, if any, shall be deposited into the 2021 Sinking Fund Account; (e) Delinquent Assessment Interest, which shall first be applied to restore the amount of any withdrawal from the 2021 Reserve Account to pay the interest of Series 2021 Bonds to the extent that less than the 2021 Reserve Account Requirement is on deposit in the 2021 Reserve Account and the balance, if any, shall be deposited into the 2021 Interest Account; and (f) the balance shall be deposited in the 2021 Revenue Account.

On each March 15, June 15, September 15 and December 15 (or if such day is not a Business Day, on the Business Day next preceding such day), the Trustee shall determine the amount on deposit in the 2021 Prepayment Account and, if the balance therein is greater than zero, shall transfer, but only after transferring sufficient amounts as directed by the District from the 2021 Revenue Account to pay amounts due on the next Interest Payment Date from the 2021 Revenue Account for deposit into such Prepayment Account, an amount

sufficient to increase the amount on deposit therein to the next integral multiple of \$5,000 and, shall thereupon give notice and cause the extraordinary mandatory redemption of Series 2021 Bonds on the next succeeding Quarterly Redemption Date in the maximum aggregate principal amount for which moneys are then on deposit in such Prepayment Account in accordance with the provisions for extraordinary redemption of Series 2021 Bonds. All interest due in regard to such prepayments shall be paid from the 2021 Interest Account or, if insufficient amounts are on deposit in the 2021 Interest Account to pay such interest, then from the 2021 Revenue Account.

Anything in the Indenture to the contrary, on each May 1 and November 1 (or if such May 1 or November 1 is not a Business Day, on the Business Day preceding such May 1 or November 1), the Trustee shall transfer from amounts on deposit in the 2021 Revenue Account to the Funds and Accounts designated below, the following amounts in the following order of priority:

FIRST, beginning on November 1, 2021, to the 2021 Interest Account, an amount equal to the amount of interest payable on all Series 2021 Bonds then Outstanding on such May 1 or November 1, less any other amount already on deposit in the 2021 Interest Account not previously credited;

SECOND, beginning on May 1, 20\_\_, and no later than the Business Day next preceding each May 1 thereafter while Series 2021 Bonds remain Outstanding, to the 2021 Sinking Fund Account, an amount equal to the Amortization Installment on the Series 2021 Bonds due on such May 1 or the principal maturing on such May 1, less any amount on deposit in the 2021 Sinking Fund Account not previously credited;

THIRD, to the 2021 Reserve Account, the amount, if any, which is necessary to make the amount on deposit therein equal to the 2021 Reserve Account Requirement with respect to the Series 2021 Bonds; and

FOURTH, the balance shall be retained in the 2021 Revenue Account, provided that on November 2 of each year any funds remaining in the 2021 Revenue Account shall be applied upon direction of the District to the Trustee, (a) prior to the completion of the 2021 Project, to the 2021 Acquisition and Construction Account, and (b) thereafter, to any lawful purpose of the District.

Anything in the Indenture to the contrary notwithstanding, it shall not constitute an Event of Default under the Indenture if the full amount of the foregoing deposits are not made due to an insufficiency of funds therefor; provided, however, that nothing in this paragraph is meant to change what are otherwise Events of Default as provided for in the Indenture. See "- Events of Default and Remedies" below.

On any date required by the Arbitrage Certificate, the District shall give the Trustee written direction to, and the Trustee shall, transfer from the 2021 Revenue Account to the 2021 Rebate Account established for the Series 2021 Bonds in the Rebate Fund the amount due and owing to the United States, which amount shall be paid, to the United States, when due, in accordance with such Arbitrage Certificate. To the extent insufficient moneys are on deposit in the 2021 Revenue Account to make the transfer provided for in the immediately

preceding sentence the District shall deposit with the Trustee from available moneys of the District the amount of any such insufficiency.

Anything in the Indenture to the contrary notwithstanding, amounts on deposit in all of the Funds and Accounts held as security for the Series 2021 Bonds shall be invested only in Investment Securities, and further, earnings on investments in the 2021 Acquisition and Construction Account and the 2021 Costs of Issuance Account shall be retained as realized in such Accounts and used for the purpose of such Accounts. Earnings on investments in the 2021 Revenue Account, the 2021 Sinking Fund Account, the 2021 Interest Account, the 2021 Prepayment Account and the 2021 Optional Redemption Account shall be deposited, as realized, to the credit of the 2021 Revenue Account and used for the purpose of such Account. Earnings on investments in the 2021 Reserve Account shall be disposed of as provided in the Supplemental Indenture.

### **2021 Acquisition and Construction Account**

Amounts on deposit in the 2021 Acquisition and Construction Account shall be applied to pay the Costs of the 2021 Project upon presentment to the Trustee of a properly signed requisition. Any balance remaining in the 2021 Acquisition and Construction Account after the Completion Date of the 2021 Project and after retaining the amount, if any, of all remaining unpaid Costs of the 2021 Project set forth in the Engineers' Certificate establishing such Completion Date, shall be deposited in the 2021 Prepayment Account and applied to the extraordinary mandatory redemption of the Series 2021 Bonds in the manner prescribed in the Series 2021 Bonds. At such time as there are no amounts on deposit in the 2021 Acquisition and Construction Account such account shall be closed. No such transfer to the 2021 Prepayment Account shall be made if on the date of such proposed transfer the Trustee has knowledge that an Event of Default exists until such Event of Default no longer exists or is waived or the Trustee is directed by the Majority Owners to otherwise apply such moneys.

In accordance with the provisions of the Indenture, the Series 2021 Bonds are payable solely from the 2021 Trust Estate. The District acknowledges in the Supplemental Indenture that (a) the 2021 Trust Estate includes, without limitation, all amounts on deposit in the 2021 Acquisition and Construction Account then held by the Trustee, (b) upon the occurrence of an Event of Default with respect to the Series 2021 Bonds, the 2021 Trust Estate may not be used by the District (whether to pay costs of the 2021 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 2021 Project and payment is for such work and (c) the 2021 Trust Estate 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 2021 Project after the occurrence of an Event of Default unless authorized in writing by the Majority Owners.

### **Application of Prepayment Principal**

All Prepayment Principal shall upon receipt by the Trustee be deposited to the 2021 Prepayment Account. At the time the District deposits Prepayment Principal with the Trustee it shall notify the Trustee in writing as to the amount of Prepayment Principal.

Amounts on deposit in the 2021 Prepayment Account shall be applied to the extraordinary mandatory redemption of the Series 2021 Bonds in the manner prescribed in the Series 2021 Bonds. The Trustee is not responsible to verify if any payment is Prepayment Principal and may conclusively rely as accurate upon the classification of the District as Prepayment Principal and in the absence of such notification will conclude that such payment is not Prepayment Principal and that such payment is to be deposited into the 2021 Revenue Account.

### **Collateral Assignment**

In connection with the issuance of the Series 2021 Bonds, the Developer (hereinafter defined) and the District will enter into a [Collateral Assignment Agreement] (the "Assignment Agreement"). The following description of the Assignment Agreement is qualified in its entirety by reference to the Assignment Agreement. Pursuant to the Assignment Agreement, the Developer collaterally assigns to the District all of Developer's development rights and contract rights relating to the CIP (the "Development and Contract Rights") as security for the Developer's payment and performance and discharge of its obligation to pay the 2021 Special Assessments levied against the Land (as defined in the Assignment Agreement) when due. The assignment will become effective and absolute upon failure of the Developer to pay the 2021 Special Assessments levied against the Land owned by the Developer and the acquisition of the Land by the District or its assignee. The Development and Contract Rights specifically excludes any such portion of the Development and Contract Rights which relate to any property which has been conveyed to (a) homebuilders or end-users, or (b) the County, the District, any unaffiliated homebuilder, any utility provider, any governmental or quasi-governmental entity, any applicable homeowner's association or any other governing entity or association as may be required by applicable permits, approvals, plats, entitlements or regulations affecting the District. Pursuant to the Indenture, but subject to the terms of the Assignment Agreement, the District assigns its rights under the Assignment Agreement to the Trustee for the benefit of the Owners, from time to time, of the Series 2021 Bonds.

### **Completion Agreement**

In connection with the issuance of the Series 2021 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 CIP to the extent that proceeds of the Series 2021 Bonds and any other debt of the District 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 2021 Bonds, the District and Developer will enter into an agreement (the "True Up Agreement") pursuant to which the Developer agrees to timely pay all 2021 Special Assessments on lands owned by the Developer and subject to the 2021 Special Assessments and to pay, when requested by the District, any amount of 2021 Special Assessments allocated to unplatted acres in excess of the allocation in place at the time of issuance of the Series 2021 Bonds pursuant to the Assessment Report or any update thereto.

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

The District, either through its own actions, or actions caused to be taken through the Trustee, covenants in the Supplemental Indenture 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 such agreements, the District covenants and agrees in the Supplemental Indenture that the Trustee, at the written direction of the Majority Owners of the Series 2021 Bonds shall, subject to the Trustee's rights under the 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 of the Series 2021 Bonds, or the Trustee at the written direction of the Majority Owners of the Series 2021 Bonds, shall constitute an Event of Default under the Indenture without benefit of any period for cure.

## **Events of Default and Remedies**

The Indenture provides that each of the following shall be an "Event of Default" under the Indenture with respect to the Series 2021 Bonds:

(a) if payment of any installment of interest on any Series 2021 Bond is not made when it becomes due and payable; or

(b) if payment of the principal or Redemption Price of any Series 2021 Bond is not made when it becomes due and payable at maturity or upon call or presentation for redemption; or

(c) if the District, for any reason, fails in, or is rendered incapable of, fulfilling its obligations under the Indenture or under the Act, which may be determined solely by the Majority Owners of the Series 2021 Bonds; or

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

(e) if the District defaults in the due and punctual performance of any other covenant in the Indenture or in any Series 2021 Bond and such default continues for sixty (60) days after written notice requiring the same to be remedied shall have been given to the District by the Trustee, which may give such notice in its discretion and shall give such notice at the written request of the Majority Owners of the Series 2021 Bonds; provided, however, that if such performance requires work to be done, actions to be taken, or conditions to be remedied, which by their nature cannot reasonably be done, taken or remedied, as the case may be, within such sixty (60) day period, no Event of Default shall be deemed to have

occurred or exist if and so long as the District shall commence such performance within such sixty (60) day period and shall diligently and continuously prosecute the same to completion; or

(f) if at any time the amount in the 2021 Reserve Account is less than the 2021 Reserve Account Requirement as a result of the Trustee withdrawing an amount therefrom to satisfy the Debt Service Requirements on the Series 2021 Bonds and such amount has not been restored within ninety (90) days of such withdrawal; or

(g) if on an Interest Payment Date the amount in the 2021 Interest Account or the 2021 Sinking Fund Account is insufficient to pay all amounts payable on the Series 2021 Bonds on such Interest Payment Date (without regard to any amount available for such purpose in the applicable 2021 Reserve Account); or

(h) if, at any time after eighteen (18) months following issuance of the Series 2021 Bonds, more than twenty percent (20%) of the "maintenance special assessments" levied by the District on the District Lands upon which the 2021 Special Assessments are levied to secure the Series 2021 Bonds pursuant to Section 190.021(3), Florida Statutes, as amended, and collected directly by the District have become due and payable and have not been paid within ninety (90) days of the date when due.

If any Event of Default with respect the Series 2021 Bonds has occurred and is continuing, the Trustee, in its discretion may, and upon the written request of the Majority Owners of the Series 2021 Bonds and receipt of indemnity to its satisfaction shall, in its capacity as Trustee:

(i) by mandamus, or other suit, action or proceeding at law or in equity, enforce all rights of the Holders of the Series 2021 Bonds, including, without limitation, the right to require the District to carry out any agreements with, or for the benefit of, the Bondholders of the Series 2021 Bonds and to perform its or their duties under the Act;

(ii) bring suit upon the Series 2021 Bonds;

(iii) by action or suit in equity require the District to account as if it were the trustee of an express trust for the Holders of the Series 2021 Bonds;

(iv) by action or suit in equity enjoin any acts or things which may be unlawful or in violation of the rights of the Holders of the Series 2021 Bonds; and

(v) by other proceeding in law or equity, exercise all rights and remedies provided for by any other document or instrument securing such Series 2021 Bonds.

The Majority Owners of the Outstanding Series 2021 Bonds then subject to remedial proceedings under the Indenture shall have the right to direct the method and place of conducting all remedial proceedings by the Trustee under the Indenture, provided that such directions shall not be otherwise than in accordance with law and the provisions of the Indenture.



THE INDENTURE DOES NOT PERMIT THE ACCELERATION OF THE PRINCIPAL OF THE SERIES 2021 BONDS UPON AN EVENT OF DEFAULT UNLESS THE 2021 SPECIAL ASSESSMENTS SECURING THE SERIES 2021 BONDS HAVE BEEN ACCELERATED. See "- Enforcement and Collection of 2021 Special Assessments" below. Upon an Event of Default, no optional redemption or extraordinary mandatory redemption of the Series 2021 Bonds pursuant to the Indenture shall occur unless either all of the Series 2021 Bonds where an Event of Default has occurred will be redeemed or if 100% of the Holders of the Series 2021 Bonds agree to such redemption.

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

The provisions of Section 606 of the Supplemental Indenture shall be applicable both before and after the commencement, whether voluntary or involuntary, of any case, proceeding or other action by or against any owner of any tax parcel subject to at least three percent (3%) of the 2021 Special Assessments pledged to the Series 2021 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 2021 Bonds were issued by the District, the Owners of the Series 2021 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 2021 Bonds Outstanding, prior to making any election, giving any consent, commencing any action or filing any motion, claim, obligation, notice or application or in taking any other action or position in any Proceedings or in any action related to a Proceeding that affects, either directly or indirectly, the 2021 Special Assessments relating to the Series 2021 Bonds Outstanding, the Outstanding Series 2021 Bonds or any rights of the Trustee under the Indenture (provided, however, the Trustee shall be deemed to have consented, on behalf of the Majority Owners of the Series 2021 Bonds Outstanding, to the proposed action if the District does not receive a written response from the Trustee within thirty (30) days following receipt by the Trustee of the written request for consent);

(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 2021 Special Assessments relating to the Series 2021 Bonds Outstanding, the Series 2021 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;

(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 Trustee shall be deemed to have consented, on behalf of the Majority Owners of the Series 2021 Bonds Outstanding, to

the proposed action if the District does not receive a written response from the Trustee within thirty (30) days following receipt by the Trustee of the written request for consent);

(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 2021 Special Assessments relating to the Series 2021 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 2021 Special Assessments relating to the Series 2021 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 or the District's claim and rights with respect to the 2021 Special Assessments relating to the Series 2021 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 2021 Special Assessments pledged to the Series 2021 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.

Notwithstanding the provisions of the immediately preceding paragraphs, 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 claim in such manner as it shall deem appropriate in its sole and absolute discretion. Any actions taken by the District in pursuance of its claim for Operation and Maintenance Assessments in any Proceeding shall not be considered an action adverse or inconsistent with the Trustee's rights or consents with respect to the 2021 Special Assessments relating to the Series 2021 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 clauses (d) or (e) above.

### **Enforcement and Collection of 2021 Special Assessments**

The primary sources of payment for the Series 2021 Bonds are the 2021 Special Assessments imposed on each landowner within the District which are specially benefited by the 2021 Project. To the extent that landowners fail to pay such 2021 Special Assessments, delay payments, or are unable to pay such 2021 Special Assessments, the successful pursuit of collection procedures available to the District is essential to continued payment of principal

of and interest on the Series 2021 Bonds. The Act provides for various methods of collection of delinquent taxes 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, the District shall directly collect the 2021 Special Assessments in lieu of the uniform method provided for in Sections 197.3632 and 197.3635, Florida Statutes (the "Uniform Method") with respect to any assessable lands until such time as such lots are platted, unless the District Manager is directed otherwise by the Majority Owners. All 2021 Special Assessments that are billed and collected directly by the District shall be due and payable no later than thirty (30) days prior to each Interest Payment Date and shall become delinquent thereafter. Following an Event of Default, the Majority Owners may direct the District as to the collection method for the 2021 Special Assessments provided such method complies with Florida law. The District covenants to assess, levy, and enforce the payment of the 2021 Special Assessments at times and in amounts as shall be necessary in order to pay, when due, Debt Service Requirements on the Series 2021 Bonds and to pay or cause to be paid the proceeds of such 2021 Special Assessments as received to the Trustee for deposit to the 2021 Revenue Account.

The District covenants and agrees in the Indenture that upon the occurrence and continuance of an Event of Default with respect to the Series 2021 Bonds, it will take such actions to enforce the remedial provisions of the Indenture, the provisions for the collection of delinquent 2021 Special Assessments that are directly billed and collected by the District, as well as delinquent direct billed Operation and Maintenance Assessments, and the provisions for the foreclosure of liens of delinquent 2021 Special Assessments that are directly billed and collected by the District, as well as delinquent direct billed Operation and Maintenance Assessments, all in a manner consistent with the Indenture.

If any property shall be offered for sale for the nonpayment of any 2021 Special Assessments, and no person or persons shall purchase such property for an amount equal to the full amount due on the 2021 Special Assessments (principal, interest, penalties and costs, plus attorneys' fees, if any), the property may then be purchased by the District for an amount equal to the balance due on the 2021 Special Assessments (principal, interest, penalties and costs, plus attorneys' fees, if any), from any legally available funds of the District and the District shall receive in its corporate name or in the name of a special-purpose entity title to the property for the benefit of the Owners of the Series 2021 Bonds; provided that the Trustee shall have the right, acting at the direction of the Majority Owners, but shall not be obligated, to direct the District with respect to any action taken pursuant to this section. The District, either through its own actions, or actions caused to be taken through the Trustee, shall have the power to and shall lease or sell such property, and deposit all of the net proceeds of any such lease or sale into the 2021 Revenue Account. The District, either through its own actions, or actions caused to be taken by the District through the Trustee, agrees that it shall, after being provided assurances satisfactory to it of payment of its fees, costs and expenses for doing so, be required to take the measures provided by law for listing for sale of property acquired by it as trustee for the Owners of the Series 2021 Bonds within sixty (60) days after the receipt of the request therefore signed by the Trustee, acting at the direction of the Majority Owners of the Series 2021 Bonds Outstanding. The District may pay costs associated with any actions taken by the District pursuant to this paragraph from any

moneys legally available for such purpose held under the Indenture, provided such action does not adversely impact the tax-exempt status of the interest on the Series 2021 Bonds.

Notwithstanding anything to the contrary in the Indenture, the District acknowledges and agrees in the Indenture that (a) upon failure of any property owner to pay when due any installment of 2021 Special Assessments that are billed directly by the District, that the entire 2021 Special Assessments levied on the property for which such installment of 2021 Special Assessments is due and unpaid, with interest and penalties thereon, shall immediately become due and payable as provided by applicable law and, with the written consent of the Trustee, acting at the direction of the Majority Owners of the Series 2021 Bonds Outstanding, the District shall promptly, but in any event within ninety (90) days of the receipt of such consent, cause to be brought the necessary legal proceedings for the foreclosure of liens of the delinquent 2021 Special Assessments, including interest and penalties 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.

THERE CAN BE NO ASSURANCE THAT ANY SALE, PARTICULARLY A BULK SALE, OF LAND SUBJECT TO DELINQUENT 2021 SPECIAL ASSESSMENTS WILL PRODUCE PROCEEDS SUFFICIENT TO PAY THE FULL AMOUNT OF SUCH DELINQUENT 2021 SPECIAL ASSESSMENTS PLUS OTHER DELINQUENT TAXES AND ASSESSMENTS APPLICABLE THERETO.

#### **Additional Covenants Regarding Assessments**

In addition, and not in limitation of, the covenants contained in the Indenture, the District covenants to comply with the terms of the proceedings heretofore adopted with respect to the 2021 Special Assessments, including the Assessment Report, and to levy the 2021 Special Assessments and any required true up payments as set forth in the Assessment Report, in such manner as will generate funds sufficient to pay the principal of and interest on the Series 2021 Bonds, when due. The District also agrees that it shall not amend the Assessment Report in any material manner without the written consent of the Majority Owners.

#### **Re-Assessment**

Pursuant to the Master Indenture, if any 2021 Special Assessment shall be either in whole or in part annulled, vacated or set aside by the judgment of any court, or if the District shall be satisfied that any such 2021 Special Assessment is so irregular or defective that the same cannot be enforced or collected, or if the District shall have omitted to make such 2021 Special Assessment when it might have done so, the District shall either (a) take all necessary steps to cause a new 2021 Special Assessment to be made for the whole or any part of said improvement or against any property benefited by said improvement, or (b) in its sole discretion, make up the amount of such 2021 Special Assessment from any legally available moneys, which moneys shall be deposited into the 2021 Revenue Account. In case such second 2021 Special Assessment shall be annulled, the District shall obtain and make other 2021 Special Assessments until a valid 2021 Special Assessment shall be made.

## **ENFORCEMENT OF ASSESSMENT COLLECTIONS**

### **General**

The primary source of payment for the Series 2021 Bonds is the revenues received by the District from the collection of 2021 Special Assessments imposed on certain lands in the District specially benefited by the 2021 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 2021 Special Assessments must be done in compliance with the provisions of State law. Failure by the District, the Clay County Tax Collector (the "Tax Collector") or the Clay 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, 2021 Special Assessments during any year. Such delays in the collection of 2021 Special Assessments, or complete inability to collect any 2021 Special Assessments, would have a material adverse effect on the ability of the District to make full or punctual payment of the Debt Service Requirements on the Series 2021 Bonds. See "BONDOWNERS' RISKS" herein. To the extent that landowners fail to pay the 2021 Special Assessments, delay payments, or are unable to pay the same, the successful pursuance of collection procedures available to the District is essential to continued payment of principal of and interest on the Series 2021 Bonds.

For the 2021 Special Assessments to be valid, the 2021 Special Assessments must meet two requirements: (a) the benefit from the 2021 Project to the lands subject to the 2021 Special Assessments must exceed or equal the amount of the 2021 Special Assessments; and (b) the 2021 Special Assessments must be fairly and reasonably allocated across all such benefited properties. The Assessment Consultant (hereinafter defined) will certify that these requirements have been met with respect to the 2021 Special Assessments.

Pursuant to the Act and the Assessment Proceedings, the District may collect the 2021 Special Assessments through a variety of methods. See "BONDOWNERS' RISKS" herein. Pursuant to the Indenture, the District shall directly collect the 2021 Special Assessments in lieu of the Uniform Method with respect to any assessable lands until such time as such lots are platted, unless the District Manager is directed otherwise by the Majority Owners. 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 the available 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**

Pursuant to Chapter 170, Florida Statutes, and the Act, the District may directly levy, collect and enforce the 2021 Special Assessments. In this context, Section 170.10, Florida Statutes, provides that upon the failure of any property owner to timely pay all or any part of the annual installment of principal and/or interest of a special assessment due, including the 2021 Special Assessments, the whole assessment, with the interest and penalties thereon, shall immediately become due and payable and subject to foreclosure. Generally stated, the governing body of the entity levying the special assessment, in this case the District, may

foreclose by commencing a foreclosure proceeding in the same manner as the foreclosure of a real estate mortgage, or, alternatively, by commencing an action under Chapter 173, Florida Statutes, which relates to foreclosure of municipal tax and special assessment liens. Such proceedings are in rem, meaning that the action would be brought against the land, and not against the landowner. In light of the one year tolling period required before the District may commence a foreclosure action under Chapter 173, Florida Statutes, it is likely the District would commence an action to foreclose in the same manner as the foreclosure of a real estate mortgage rather than proceeding under Chapter 173, Florida Statutes.

Enforcement of the obligation to pay 2021 Special Assessments and the ability to foreclose the lien of such 2021 Special Assessments upon the failure to pay such 2021 Special Assessments may not be readily available or may be limited because enforcement is dependent upon judicial action which is often subject to discretion and delay. Additionally, there is no guarantee that there will be demand for any foreclosed lands sufficient to repay the 2021 Special Assessments. See "BONDOWNERS' RISKS" herein.

### **Uniform Method Procedure**

Subject to certain conditions, the District may alternatively elect to collect the 2021 Special 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 2021 Special Assessments to be levied and collected in this manner.

If the Uniform Method is used, the 2021 Special Assessments will be collected together with County, school, special district, and other ad valorem taxes and non-ad valorem assessments (together, "Taxes and Assessments"), all of which will appear on the tax bill (also referred to as a "tax notice") issued to each landowner in the District. The statutes relating to enforcement of Taxes and Assessments provide that such Taxes and Assessments become due and payable on November 1 of the year when assessed, or as soon thereafter as the certified tax roll is received by the Tax Collector, and constitute a lien upon the land from January 1 of such year until paid or barred by operation of law. Such Taxes and Assessments, including the 2021 Special 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 2021 Special Assessments.

All Taxes and Assessments are payable at one time, except for partial payment schedules as may be provided by Florida law such as Sections 197.374 and 197.222, Florida Statutes. Partial payments made pursuant to Sections 197.374 and 197.222, Florida Statutes, are distributed in equal proportion to all taxing districts and levying authorities applicable to that account. If a taxpayer does not make complete payment of the total amount, he or she cannot designate specific line items on his or her tax bill as deemed paid in full. Therefore, in the event the 2021 Special Assessments are to be collected pursuant to the Uniform Method, any failure to pay any one line item would cause the 2021 Special Assessments to not be collected to that extent, which could have a significant adverse effect on the ability of the District to make full or punctual payment of the Debt Service Requirements on the Series 2021 Bonds.

Under the Uniform Method, if the 2021 Special 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 2021 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 2021 Special Assessments, (b) future landowners and taxpayers in the District will pay such 2021 Special 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 2021 Special Assessments and all other liens that are coequal therewith.

Collection of delinquent 2021 Special Assessments under the Uniform Method is, in essence, based upon the sale by the Tax Collector of "tax certificates" and remittance of the proceeds of such sale to the District for payment of the 2021 Special Assessments due. Prior to the sale of tax certificates, the landowner may bring current the delinquent Taxes and Assessments and cancel the tax certificate process by paying the total amount of delinquent Taxes and Assessments plus all applicable interest, costs and charges. If the landowner does not act, the Tax Collector is required to attempt to sell tax certificates by public bid to the person who pays the delinquent Taxes and Assessments owing, and any applicable interest, costs and charges, and who accepts the lowest interest rate per annum to be borne by the certificates (but not more than 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 2021 Special Assessments), interest, costs and charges on the real property described in the certificate.

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

Any holder, other than the County, of a tax certificate that has not been redeemed has seven (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 2021 Special Assessments. For example, the demand for tax certificates is dependent upon various factors, which include the rate of interest that can be earned by ownership of such certificates and the underlying value of the land that is the subject of such certificates and which may be subject to sale at the demand of the certificate holder. Therefore, the underlying market value of the property within the District may affect the demand for certificates and the successful collection of the 2021 Special Assessments, which are the primary source of payment of the Series 2021 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 164.13 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 2021 Special 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 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 2021 Bonds.

## **Board of Supervisors**

The Act provides for a five-member Board of Supervisors (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.

<b>Name</b>	<b>Title</b>	<b>Expiration of Term</b>
Jim McDade*	Chairman	November 2025
Michael Russo*	Vice Chairman	November 2025
Darren Gowens*	Assistant Secretary	November 2023
Kurt von der Osten <sup>[*]</sup>	Assistant Secretary	November 2023
Rose Bock <sup>[*]</sup>	Assistant Secretary	November 2023

\*Affiliated with the Developer or one of its affiliates.

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.

Governmental Management Services, LLC, 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 475 West Town Place, Suite 114, St. Augustine, Florida 32092 and their phone number is (904) 940-5850.

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 Akerman LLP, Jacksonville, Florida, as Bond Counsel; KE Law Group PLLC, Tallahassee, Florida, as District Counsel;

Dunn & Associates, Inc., Jacksonville, Florida, as District Engineer; and Governmental Management Services, LLC, St. Augustine, Florida, as Assessment Consultant.

**THE CAPITAL IMPROVEMENT PROGRAM AND THE 2021 PROJECT**

The District Engineer has prepared the Master Engineer's Report dated March 31, 2021 (the "Engineer's Report") describing the capital improvement program for the District (as previously defined, the "CIP") which is estimated to cost approximately \$24.2 million and includes clearing and earthwork, stormwater systems, water and sewer utilities, roadway improvements, recreational improvements, offsite improvements, entry signage, landscaping, berm, fencing, fountains, electric and street lighting and engineering, surveying and planning. Enumeration of the costs of the CIP are provided in the table below.

<u>Infrastructure</u>	<u>Cost</u>
Clearing and Earthwork	\$9,502,000
Stormwater Systems	2,242,000
Water and Sewer Utilities	4,416,000
Roadway Improvements	2,150,000
Recreational Improvements	1,865,000
Offsite Improvements	929,000
Entry Signage, Landscaping, Berm, Fencing, Fountains	600,000
Electric and Street Lighting	310,000
Engineering, Surveying, Planning, CEI	2,201,400
<b>Total</b>	<b>\$24,215,400</b>

Proceeds of the Series 2021 Bonds will be utilized to acquire and/or construct a portion of the CIP in the approximate amount of \$5.9 million\* (such financed portion being referred to as the "2021 Project"). As described herein under "THE DEVELOPMENT – Product Type/Phasing," development activities in the initial sub-phase of the District planned for [120] residential units has commenced and is anticipated to be complete by the [fourth quarter of 2021]. The Developer estimates it has expended approximately \$[\_\_\_] million in development related expenditures to date.

The District does not currently intend to issue any additional Series of Bonds to fund additional portions of the CIP. The remainder of the CIP not funded with proceeds of the Series 2021 Bonds will be funded by the Developer with equity contributions. In connection with the issuance of the Series 2021 Bonds, the Developer will enter into the Completion Agreement whereby the Developer will agree to complete those portions of the CIP not funded with proceeds of the Series 2021 Bonds. The District cannot make any representation that the Developer will have sufficient funds to complete the CIP. See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2021 BONDS – Completion Agreement" and "BONDOWNERS' RISKS – Completion of CIP" herein.

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\* Preliminary, subject to change.

## ASSESSMENT METHODOLOGY AND ALLOCATION OF ASSESSMENTS

The Assessment Consultant has prepared the [Master Special Assessment Methodology Report] dated [April 15, 2021] (the "Master Assessment Report") and the [Supplemental Special Assessment Methodology Report] dated [July 16, 2021] (the "Supplemental Report" and, together with the Master Report, the "Assessment Report") that allocates the total benefit derived from the CIP to the benefited lands in the District.

Initially, the 2021 Special Assessments securing the Series 2021 Bonds will be levied on an equal per acre basis over the lands within the District. Pursuant to the allocation methodology set forth in the Assessment Report, the 2021 Special Assessments levied in connection with the Series 2021 Bonds will then be allocated on a per lot basis upon the sale of property with specific entitlements allocated thereto or platting of the units within the District. The Series 2021 Bonds were sized to correspond with the collection of the 2021 Special Assessments from all 370 residential units planned within the District which the Developer intends on developing into finished lots for subsequent home construction thereon and eventual sale to retail buyers. The table below presents the estimated principal and annual amounts of the 2021 Special Assessments that will be levied on the lands within the District in connection with the Series 2021 Bonds.

<b>Product Type</b>	<b># of Units</b>	<b>Est. Series 2021 Bonds Principal Per Unit</b>	<b>Est. Series 2021 Bonds Gross Annual Debt Service Per Unit</b>
Single-family 40'	75	\$18,108	\$1,064
Single-family 50'	295	18,108	1,064
	<b>370</b>		

*The following information appearing under the captions "THE DEVELOPMENT" and "THE DEVELOPER" has been furnished by the Developer for inclusion in this Limited Offering Memorandum as a means for prospective Bondholders to understand the anticipated development plan and risks associated with the Development and the provision of infrastructure to the real property within the District. Although believed to be reliable, such information has not been independently verified by the District or its counsel, the Underwriter or its counsel, or Bond Counsel, and no person other than the Developer, subject to certain qualifications and limitations, makes any representation or warranty as to the accuracy or completeness of such information. At the time of the issuance of the Series 2021 Bonds, the Developer will represent in writing that the information herein under the captions "THE DEVELOPMENT," "THE DEVELOPER", "LITIGATION – Developer" and "CONTINUING DISCLOSURE – Developer Continuing Compliance" does not contain any untrue statement of a material fact and does not omit to state any material fact necessary in order to make the statements made herein, in light of the circumstances under which they are made, not misleading.*

*The Developer's obligation to pay the 2021 Special Assessments is limited solely to its obligation as a landowner, just as any other landowner within the District. The Developer is not a guarantor of payment on any property within the District and the recourse for the Developer's failure to pay or otherwise comply with its obligations to the District is limited to its ownership interest in the land subject to the 2021 Special Assessments.*

## **THE DEVELOPMENT**

### **General**

Anabelle Island (the "Development") encompasses approximately 164 acres and is located entirely within the unincorporated area of the eastern part of the County in an area known as Lake Asbury. The Development is located just north of Sandridge Road in close proximity to the intersection of Sandridge Road and Russell Road. Primary access will be available from Sandridge Road, with Russell Road serving as a secondary point of entry.

The Development is situated approximately twenty-eight (28) miles southwest of downtown Jacksonville and thirty-three (33) miles northwest of historic St. Augustine. The Development is situated approximately ten (10) miles east of the City of Middleburg and five (5) miles west of US Highway 17. US Highway 17 is a major north-south roadway connecting Green Cove Springs to the cities of Orange Park and Jacksonville and to Interstate 95. Further, the First Coast Expressway located just west of the Development is a multi-lane, limited access toll road that, once completed, will cross parts of Duval, Clay, and St. Johns counties. Finally, the Jacksonville International Airport is approximately forty-two (42) miles northeast of the Development via the First Coast Expressway and Interstate 295.

The Development is located in close proximity to recreational opportunities, shopping and restaurants as well as medical facilities. The St. Johns River is located approximately five (5) miles east of the Development providing for various water-oriented recreational activities. The Asbury Commons Shopping Mall featuring a Winn-Dixie is located approximately four (4) miles west of the Development. Big box retail such as Home Depot, Walmart Supercenter, Michaels and Kohl's, along with additional retail and restaurants, are located at County Road 220 and US Highway 17 approximately nine (9) miles northeast of the Development. In addition, medical care can be obtained at Kindred Hospital or Baptist and Wolfson Clay Emergency Room located within eight (8) miles southeast and northeast of the Development, respectively.

The landowner and developer of the Development is KB Home Jacksonville LLC, a Delaware limited liability company (the "Developer"), an affiliate of KB Home, a Delaware corporation ("KB Home"), as more fully described under the heading "THE DEVELOPER." The Development is intended to be developed in two (2) primary phases with sub-phases therein. As detailed further herein, horizontal infrastructure in the first sub-phase of the Development, Phase 1A, planned for [120] single-family residential units is currently underway with completion anticipated in the [fourth quarter of 2021]. Further, clearing and filling of the subsequent sub-phase, Phase 1B, planned for [ninety-three (93)] single-family residential units is currently underway.

### **Land Acquisition/Development Financing**

As set forth in the purchase and sale contract, the Developer acquired approximately 164 acres constituting the lands comprising the District from Triple B Ranch, LLC, a Florida limited liability company ("Triple B Ranch"), on December 22, 2020, for a total aggregate purchase price of \$5,999,900 which was effectuated entirely in cash (the "KB Home Contract"). Pursuant to the KB Home Contract, the Developer has retained the right to purchase an additional 220 acres of land abutting the District lands from Triple B Ranch for

a total aggregate purchase price of \$9,009,000 (the "Option Property"). The Developer has provided a \$200,000 deposit to Triple B Branch for the option to purchase the Option Property with written notice to do so at least 120 days prior to December 30, 2023.

As stipulated in the KB Home Contract, certain conditions are required of the Developer including, without limitation, (a) on or before the earlier of March 1, 2022 or the 51<sup>st</sup> building permit, the Developer must construct the entry monumentation located at Sandridge Road, all roadways, utilities, and stormwater management system improvements for Phase 1A and, provided there is a site plan amendment prior to December 1, 2022, the extension of Windsor Lakes Way from Phase 1A to the District's boundary providing access to lands located outside of the District, and (b) on or before September 1, 2023, the Developer must construct the entry monumentation located at Russell Road, all stormwater improvements for Phases 1B and 2, all roadways, sidewalks and utilities located in the right-of-way for Annabelle Island Parkway, Dallas Creek Lane and Mountain Way and, provided there is a site plan amendment after December 1, 2022, the extension of Windsor Lakes Way from Phase 1A to the District's boundary providing access to lands located outside of the District. Further, the Developer has provided for a performance and completion bond to secure the Developer's obligation to complete such improvements as required by the KB Home Contract.

Proceeds of the Series 2021 Bonds will be used to acquire and/or construct a portion of the CIP in the estimated amount of \$5.9 million\*. The District currently does not intend to issue any additional Series of Bonds to fund additional portions of the CIP. As such, the Developer anticipates using equity to fund the remaining portions of the CIP not funded with proceeds of the Series 2021 Bonds as well as the other development costs not included within the CIP (the "Developer-Funded Improvements"). Such Developer-Funded Improvements include, without limitation, [private roads, security features, and associated professional fees] and are estimated to cost \$[\_\_\_] million. As discussed further herein, development activities have commenced within the initial sub-phase of the Development and clearing and filling of the subsequent sub-phase is currently underway. As of July 15, 2021, the Developer estimates it has expended approximately \$6.0 million to acquire the lands constituting the District and \$[\_\_\_] million in development-related expenditures to-date, including \$[\_\_\_] million towards the CIP and \$[\_\_\_] million towards to the Developer-Funded Improvements.

## **Zoning**

The Development is located within the Lake Asbury Master Planned Community ("LAMPC") Zoning District in the Lake Asbury Master Plan Area in eastern Clay County. The land constituting the Development is a part of a 364-acre tract that has been designated as a master planned community and has been approved by the County for a maximum of [800] residential units. The County has provided conceptual plan approval for a period of [\_\_\_] years which is set to expire in [\_\_\_] if substantial activity has not occurred. Further, the LAMPC provides for single-family detached homes as a permitted use.

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\* Preliminary, subject to change.

## Product Type/Phasing

The Development is planned to be developed in two (2) primary phases with sub-phases therein for the development of approximately 370 residential units. The information in the table below depicts the number of units by product type for the two (2) planned development phases, which information is subject to change.

<b>Product Type</b>	<b>Phase 1</b>		<b>Phase 2</b>	<b>Total</b>
	<b>Phase 1A</b>	<b>Phase 1B</b>		
Single-family 40'				75
Single-family 50'				295
<b>Total</b>				<b>370</b>

Development activities within Phase 1A planned for [120] single-family residential units is underway with completion anticipated in the [fourth quarter of 2021]. Phase 1B planned for [ninety-three (93)] single-family residential units has been cleared and filling is currently underway. Phase 1B is anticipated to be complete in the [\_\_\_\_] quarter of 2022. The development of Phase 2 planned for [158] single-family residential units are anticipated to commence in the [\_\_\_\_] quarter of 202[\_\_\_\_] with completion anticipated in the [\_\_\_\_] quarter of 202[\_\_\_\_].

## Permitting

As described in further detail in the Engineer's Report, the Developer has obtained permits from St. Johns River Water Management District and the U.S. Army Corps of Engineers for storm water management and wetland mitigation for the entire District. Permitting from the Florida Department of Environmental Protection for water and sewer are pending approval and are anticipated to be obtained in August 2021.

Upon issuance of the Series 2021 Bonds, the District Engineer will certify that any permits and approvals necessary for the infrastructure specific to the District that have not previously been obtained are expected to be obtained in the ordinary course of business.

## Environmental

In November 2020, a Phase I Environmental Site Assessment ("ESA") was performed by Universal Engineering Sciences on a 384-development tract which included the lands constituting the District. The ESA revealed no direct evidence of recognized environmental conditions.

## Utilities

Clay County Utility Authority has issued a capacity letter stating it currently has sufficient water and wastewater capacity to serve the entire District. The Clay Electric Cooperative provides electrical power to the Development. [\_\_\_\_\_] will provide phone, internet and cable services to the Development.



## Home Construction/Sales Activity

The Development is planned to feature four (4) model homes and one (1) sales center within a model home park within the Development. Construction of model homes along with the on-site sales center is scheduled to commence in [\_\_\_\_\_] 2021 with completion scheduled for [November 2021] to coincide with the planned grand opening for the Development. Home sales in Phase 1A of the Development are expected to commence in [November 2021] in conjunction with the grand opening.

## Projected Absorption

In its capacity as both the developer and homebuilder, the Developer intends on developing finished lots for subsequent home construction thereon and eventual sale to retail buyers. Home sales activity in the Development is scheduled to commence in [November 2021]. The following table sets forth the Developer's anticipated pace of residential home closings to retail buyers.

<b>Product Type</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>Total</b>
Single-family 40'	20	32	23	0	0	75
Single-family 50'	36	48	62	80	69	295
<b>Total</b>	<b>56</b>	<b>80</b>	<b>85</b>	<b>80</b>	<b>69</b>	<b>370</b>

The projections in the table above are based upon estimates and assumptions that are inherently uncertain, though considered reasonable, and are subject to significant business, economic and competitive uncertainties and contingencies, all of which are difficult to predict. As a result, there can be no assurance that such projections will occur or be realized in the time frames anticipated. See "BONDOWNERS' RISKS" herein.

## Residential Product Offerings

The Development is designed to include homes ranging in size from 1,342 to 2,716 square feet with average home prices starting in the \$[\_\_\_\_]. The following chart is a summary of certain information pertaining to the residential units anticipated to be constructed in the Development by product type, which information is subject to change:

<b>Product Type</b>	<b>Square Footage</b>	<b>Base Price Points</b>
Single-family 40'	[____] – [____]	\$[____] – \$[____]
Single-family 50'	[____] – [____]	\$[____] – \$[____]

## Recreational Facilities

The District is currently planned to include certain amenities, which may include a clubhouse, a large resort-style pool, splash pad, playgrounds, open playing fields and a tot lot. Construction of the recreational facilities is anticipated to commence in the [\_\_\_\_] quarter of 2021 with completion expected by the first quarter of 2022. The recreational facilities are included as part of the CIP at an estimated cost of \$1.9 million and are anticipated to be owned and maintained by the District.

## Marketing

The Developer has and is anticipated to continue to undertake a comprehensive marketing effort for the Development including, without limitation, internet, social media, signage, realtor functions, and print and radio ads. The Developer has created a webpage for its current product offerings which can be accessed by visiting [www.kbhome.com/new-homes-jacksonville-st-augustine-area/anabelle-island](http://www.kbhome.com/new-homes-jacksonville-st-augustine-area/anabelle-island). Further, the Developer intends to sell homes from an onsite sales center and the four (4) model homes that will be available for prospective buyers to tour.

## Education

Based upon current school zoning, children residing in the Development would generally attend Lake Asbury Elementary School, Lake Asbury Jr. High School and Clay County High School. Lake Asbury Jr. High School and Clay County High School both received a 'B' rating for 2019 according to the Florida Department of Education ("FDOE") which are the most recent grades available. Lake Asbury Elementary School received an 'A' rating for 2019 according to FDOE.

## Fees and Assessments

Each homeowner residing in the District will pay annual taxes, assessments and fees on an ongoing basis including ad valorem property taxes, 2021 Special Assessments, homeowner's association fees, 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 approximately 15.2187 mills. Accordingly, by way of example, the annual property taxes for a \$250,000 assessed value home would be \$3,805.

### Homeowner's Association Fees

All homeowners residing in the District will be subject to annual homeowner's association ("HOA") fees for [common ground maintenance as well as operation and maintenance of the HOA-owned facilities]. The HOA fees will vary annually based on the adopted budget by the HOA for a particular year. The estimated monthly HOA fee in the Development for 2021 by product-type is illustrated in the table below and is subject to change.

<u>Product Type</u>	<u>Monthly HOA Fee*</u>
Single-family 40'	\$[ ]
Single-family 50'	\$[ ]

\* Preliminary, subject to change.

District Special Assessments

All homeowners residing in the Development will be subject to the 2021 Special Assessments levied in connection with the Series 2021 Bonds. In addition, all homeowners will be subject to annual operation and maintenance assessments ("O&M Assessments") levied by the District which are derived from the District's annual budget and are subject to change each year. The table below illustrates the estimated annual 2021 Special Assessments and the estimated O&M Assessments that will be levied by the District for each respective product type at build out.

<u>Product Type</u>	<u>Est. Annual Series 2021 Assessment Per Unit*</u>	<u>Est. Annual O&amp;M Assessment Per Unit at Buildout*</u>
Single-family 40'	\$1,064	[\$_____]
Single-family 50'	1,064	[_____]

\* Preliminary, subject to change. Includes gross-up of 4% for early payment and 2% for collection fees imposed by the County.

**Competition**

Based upon the location of the Development, it is anticipated that competition for the Development will primarily come from the active developments referenced below. The information appearing below was obtained from publicly available sources.

*Granary Park (Sandridge CDD)* encompasses approximately 291 acres and is located just west of the Development off of Sandridge Road. Granary Park is planned to include 771 residential units to be developed in three (3) phases. Construction on the first phase of the development which is intended to be developed with 238 single-family units commenced in January 2021 with completion anticipated to occur in the fourth quarter of 2021. Lennar Homes is currently anticipated to be the sole builder with homes ranging in size from 1,600 to 3,200 square feet and average home prices starting in the \$250,000 range. Recreational facilities are anticipated to include a clubhouse featuring a state-of-the-art fitness center, a large resort-style pool, playgrounds, gazebos, open playing fields and dog parks. Granary Park is located within the Sandridge Community Development District. For more information on the Sandridge Community Development District please visit [www.emma.msrb.org](http://www.emma.msrb.org).

*Cross Creek (Cross Creek North CDD)* is an approximately 970-acre community located approximately one (1) mile east of the Development. Cross Creek is planned for 1,167 residential homes and is being developed by DR Horton. The initial phase of development consisting of 416 residential units is currently under way with lot sizes ranging from 40 to 70 feet in width. Single-family homes are currently being offered from approximately 1,400 to 4,200 square feet, ranging in price from the high \$100,000s to the high \$200,000s. Amenities planned include an approximately 4,097 square foot clubhouse, a pool and water park, a spa, and access to a lake dock. Cross Creek is located within the Cross Creek North Community Development District. For more information on the Cross Creek North Community Development District please visit [www.emma.msrb.org](http://www.emma.msrb.org).

*Edgewater Landing*, located five (5) miles southeast of the Development, is a gated, waterfront community spanning 114 acres on the southern banks of Peter's Creek. Planned

for 171 residential homes, this development includes homes being offered by DR Horton ranging in size from 1,798 square feet to 2,892 square feet with home prices starting in the high \$200,000s. Amenities include a waterfront park featuring a playground, picnic pavilion and a raised walkway to the 120-foot-long dock.

*Willow Springs* is a DR Horton Express Homes community located approximately six (6) miles southeast of the Development and planned for 379 residential units. This development features homes ranging in size from 1,490 square feet to 2,499 square feet with prices starting from the low \$200,000s.

*Village Park* is located just west of the Development along County Road 739B and is planned for 140 single-family homes. The Developer along with Maronda Homes are the only two (2) builders in the community and are currently offering a variety of single-family homes starting in the mid \$200,000s.

*Rolling Hills at Lake Asbury (Rolling Hills CDD)*, located along County Road 739B and less than one (1) mile west of the Development, is planned to include 761 residential units and features a clubhouse with a fitness center, a zero-entry pool with lap lanes, splash features and a water slide, six (6) tennis courts, sand volleyball courts, hiking trails and playgrounds. Single-family homes in the current phase of development are planned to be offered by LGI Homes at prices ranging from approximately 1,590 to 2,600 square feet starting in the low \$200,000's. Rolling Hills at Lake Asbury is located within the Rolling Hills Community Development District. For more information on the Rolling Hills Community Development District please visit [www.emma.msrb.org](http://www.emma.msrb.org).

## THE DEVELOPER

The lands within the District are owned by KB Home Jacksonville LLC (the "Developer"), a Delaware limited liability company and an affiliated entity of KB Home, a Delaware corporation ("KB Home"). KB Home is one of the largest and most recognized homebuilding companies in the U.S., with nearly 645,000 homes delivered since their inception in 1957. Today, KB Home operates in forty-five (45) markets and primarily serves first-time and first move-up, as well as second move-up and active adult homebuyers.

KB Home is a publicly-traded company, the common stock of which is listed on the New York Stock Exchange under the symbol "KBH." KB Home is subject to the informational requirements of the Securities and Exchange Commission Act of 1934, as amended, and in accordance therewith files reports, proxy statements, and other information with the Securities and Exchange Commission ("SEC"). The file number for KB Home is No. 001-09195. The registration statement and these other SEC filings are available at the SEC's website at [www.sec.gov](http://www.sec.gov) and at the SEC's Public Reference Room at the SEC's Headquarters, located at 100 F Street, NE, Washington, D.C. 20549. All documents subsequently filed by KB Home pursuant to the requirements of the Securities and Exchange Commission Act of 1934 after the date of this Limited Offering Memorandum will be available for inspection in the same manner as described above.

## **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 2021 Bonds offered hereby. This section does not purport to summarize all risks that may be associated with purchasing or owning the Series 2021 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 2021 Bonds.

### **Limited Pledge**

The principal security for the payment of the Debt Service Requirements on the Series 2021 Bonds is the timely collection of the 2021 Special Assessments. The 2021 Special 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 2021 Special Assessments or that they will pay such 2021 Special Assessments even though financially able to do so. Neither the Developer nor any subsequent landowner is a guarantor of payment of any 2021 Special Assessment and the recourse for the failure of the Developer or any subsequent landowner to pay the 2021 Special 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 2021 Project. Furthermore, the District has not pledged the revenues, if any, from the operation of the 2021 Project as security for, or a source of payment of, the Series 2021 Bonds. The Series 2021 Bonds are payable solely from, and secured solely by, the 2021 Special Assessments. The failure of the Developer or any subsequent landowner to pay the required 2021 Special Assessment on its property will not result in an increase in the amount of 2021 Special Assessments other landowners are or would be required to pay.

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

Until further development takes place in the District and assessable properties are sold to end users, payment of the 2021 Special 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 2021 Special Assessments, delays and impairment could occur in the payment of the Debt Service Requirements on the Series 2021 Bonds as such bankruptcy could negatively impact the ability of (a) the Developer or any other landowner being able to pay the 2021 Special Assessments, (b) the County to sell tax certificates in relation to such property with respect to the 2021 Special Assessments being collected pursuant to the Uniform Method, and (c) the District's ability to enforce collection with respect to the 2021 Special Assessments not being collected pursuant to the Uniform Method. In addition, the remedies available to the Owners of the Series 2021 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 2021 Bonds, including, without limitation, enforcement of the obligation to pay 2021 Special Assessments and the ability of the District to foreclose the lien of the 2021 Special Assessments, may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2021 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 2021 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 2021 Special Assessments collected pursuant to the Uniform Method will be dependent upon various factors, including the interest rate which can be earned by ownership of such certificates and the value of the land which is the subject of such certificates and which may be subject to sale at the demand of the certificate holder after two (2) years. Similarly, the ability of the District to enforce collection of delinquent 2021 Special 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 2021 Special 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 2021 Special 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 2021 Special 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 2021 Special Assessments. It is possible that the District will not have sufficient funds and will be compelled to request the Owners of the Series 2021 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 2021 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 District as a result of implementation and development of the CIP 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 2021 Special Assessments associated with it. To the extent that the realizable or market value of the land benefited by the CIP 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 2021 Special Assessments, if any, and provided such delinquencies are significant, could negatively impact the ability of the District to make the full or punctual payment of the Debt Service Requirements on the Series 2021 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 2021 Special Assessments are being collected along with ad valorem taxes pursuant to the Uniform Method, tax certificates will not be sold with respect to such 2021 Special Assessment, even though the landowner is not contesting the amount of the 2021 Special Assessment. However, Section 194.014, Florida Statutes, requires taxpayers challenging the assessed value of their property to pay all non-ad valorem assessments and at least 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 2021 Special Assessments. Failure of the District to follow these procedures could result in the 2021 Special 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 2021 Special 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 Clay 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 2021 Special 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 2021 Special Assessments, would result in such landowner's 2021 Special 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 the Debt Service Requirements on the Series 2021 Bonds.

As referenced herein, the 2021 Special Assessments are levied on lands within the District that are also subject to O&M Assessments and HOA fees. See "THE DEVELOPMENT – Fees and Assessments" herein.

### **Limited Secondary Market**

The Series 2021 Bonds may not constitute a liquid investment and there is no assurance that a liquid secondary market will exist for the Series 2021 Bonds in the event an Owner thereof determines to solicit purchasers of the Series 2021 Bonds. Even if a liquid secondary market exists, there can be no assurance as to the price for which the Series 2021 Bonds may be sold. Such price may be lower than that paid by the current Owners of the Series 2021 Bonds, depending on the progress of the Development, existing market conditions and other factors.

### **Inadequacy of 2021 Reserve Account**

Some of the risk factors described herein, if materialized, could result in a delay in the collection of the 2021 Special Assessments or a failure to collect the 2021 Special Assessments, but may not affect the timely payment of the Debt Service Requirements on the Series 2021 Bonds because of the 2021 Reserve Account established by the District for the Series 2021 Bonds. However, the ability of the District to fund deficiencies caused by delinquent or delayed 2021 Special Assessments is dependent upon the amount, duration and frequency of such deficiencies or delays. If the District has difficulty in collecting the 2021 Special Assessments, the 2021 Reserve Account could be rapidly depleted and the ability of the District to pay the Debt Service Requirements on the Series 2021 Bonds could be materially adversely affected. Owners should note that although the Indenture contains the 2021 Reserve Account Requirement for the 2021 Reserve Account, and a corresponding obligation on the part of the District to replenish the 2021 Reserve Account to the 2021 Reserve Account Requirement, the District does not have a designated revenue source for replenishing the 2021 Reserve Account. Moreover, the District may not be permitted to re-assess real property then burdened by the 2021 Special Assessments in order to provide for the replenishment of the 2021 Reserve Account. See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2021 BONDS – Limitation on Additional Debt" herein.

Moneys on deposit in the 2021 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 2021 Reserve Account to make up deficiencies or delays in collection of 2021 Special Assessments.

### **Regulatory and Environmental Risks**

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



The value of the land within the District, the ability to complete the 2021 Project or the CIP or develop the Development, and the likelihood of timely payment of the Debt Service Requirements on the Series 2021 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 DEVELOPMENT – Zoning," "THE DEVELOPMENT – Permitting" and "THE DEVELOPMENT – Environmental" herein.

### **Economic Conditions**

The proposed Development 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 Development 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.

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

A novel coronavirus outbreak first identified in 2019 is causing coronavirus disease 2019 ("COVID-19"), which was characterized by the World Health Organization on March 11, 2020, as a pandemic. Responses to COVID-19 have varied at the local, state and national levels. On March 13, 2020, then President Trump declared a national emergency in response to COVID-19. Both prior and subsequent to the President's declaration, a variety of federal agencies, along with state and local governments, implemented efforts designed to limit the spread of COVID-19. Since the pandemic declaration, COVID-19 has negatively affected travel, commerce, and financial markets globally, and is widely expected to continue to negatively affect economic growth and financial markets worldwide, including within the State. How long this negative impact will last cannot be determined at this time. However, these negative impacts could reduce property values, slow or cease development and sales within the Development and/or otherwise have a negative financial impact on the Developer or subsequent landowners. While the foregoing describes certain risks related to the current outbreak of COVID-19, the same risks may be associated with any contagious epidemic, pandemic or disease.

### **Cybersecurity**

The District relies on a technological environment to conduct its operations. The District, its agents and other third parties the District does business with or otherwise relies upon are subject to cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. Entities or individuals may attempt to gain unauthorized access to such parties' digital systems for the purposes of misappropriating assets or information or causing operational disruption and damage. No assurances can be given that any such attack(s) will not materially impact the operations or finances of the District, which could impact the timely payment of the Debt Service Requirements on the Series 2021 Bonds.

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

The value of the lands subject to the 2021 Special 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 2021 Project or the CIP. The occurrence of any such events could materially adversely affect the District's ability to collect 2021 Special Assessments and pay the Debt Service Requirements on the Series 2021 Bonds. The Series 2021 Bonds are not insured and the District's casualty insurance policies do not insure against losses incurred on private lands within its boundaries.

## **Change in Development Plans**

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

## **Completion of CIP**

In the event the District does not have sufficient moneys on hand to complete the CIP, there can be no assurance that the District will be able to raise through the issuance of bonds, or otherwise, the moneys necessary to complete the CIP. Pursuant to the Indenture, the District covenants not to issue any other Bonds or other debt obligations secured by Special Assessments on assessable lands which are also encumbered by the 2021 Special Assessments for any capital project unless the 2021 Special Assessments have been Substantially Absorbed. See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2021 BONDS – Limitation on Additional Debt" herein. The Developer will agree to fund or cause to be funded the completion of the CIP and will enter into the Completion Agreement with the District as evidence thereof. There can be no assurance that the Developer will have sufficient resources to satisfy the obligation to complete the CIP. Such obligation of the Developer is an unsecured obligation. See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2021 BONDS – Completion Agreement," "THE DEVELOPMENT" and "THE DEVELOPER" herein.

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

In connection with a foreclosure of lien of assessments prior to completion of a development, the Circuit Court in and for Lake County, Florida concluded that a community development district had no right, title or interest in any permits and approvals owned by the owner of the parcels so foreclosed. As discussed herein, the District and the Developer will enter into the Assignment Agreement upon issuance of the Series 2021 Bonds in which the Developer collaterally assigns to the District certain of its development and contract rights relating to the CIP. See "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2021 BONDS – Collateral Assignment" herein. Notwithstanding the foregoing, in the event that the District forecloses on the property subject to the lien of the 2021 Special

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 Development.

### **Prepayment and Redemption Risk**

In addition to being subject to optional and mandatory sinking fund redemptions, the Series 2021 Bonds are subject to extraordinary mandatory redemption as a result of prepayments of the 2021 Special Assessments by the Developer or subsequent owners of the property within the District. Any such redemptions of the Series 2021 Bonds would be at the principal amount of such Series 2021 Bonds being redeemed plus accrued interest to the date of redemption. In such event, owners of the Series 2021 Bonds may not realize their anticipated rate of return on the Series 2021 Bonds and owners of any Premium Bonds (hereinafter defined) may receive less than the price they paid for the Series 2021 Bonds.

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

The interest rates borne by the Series 2021 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 2021 Bonds. These higher interest rates are intended to compensate investors in the Series 2021 Bonds for the risk inherent in the purchase of the Series 2021 Bonds. However, such higher interest rates, in and of themselves, increase the amount of 2021 Special Assessments that the District must levy in order to provide for payment of the Debt Service Requirements on the Series 2021 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 2021 Special Assessments.

The Indenture does not contain an adjustment of the interest rates on the Series 2021 Bonds in the event of a determination of taxability of the interest thereon. Such a change could occur as a result of the District's failure to comply with tax covenants contained in the Indenture or the Arbitrage Certificate or due to a change in the United States income tax laws. Should interest on the Series 2021 Bonds become includable in gross income for federal income tax purposes, Owners of the Series 2021 Bonds will be required to pay income taxes on the interest received on such Series 2021 Bonds and related penalties. Because the interest rates on such Series 2021 Bonds will not be adequate to compensate Owners of the Series 2021 Bonds for the income taxes due on such interest, the value of the Series 2021 Bonds may decline. Prospective purchasers of the Series 2021 Bonds should evaluate whether they can own the Series 2021 Bonds in the event that the interest on the Series 2021 Bonds becomes taxable and/or the District is ever determined to not be a political subdivision for purposes of the Code and/or Securities Act.

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

The Internal Revenue Service (the "IRS") routinely examines bonds issued by state and local governments, including bonds issued by community development districts. In 2016, the IRS concluded its lengthy examination of certain issues of bonds (for purposes of this paragraph, the "Audited Bonds") issued by Village Center Community Development District ("Village Center CDD"). During the course of the audit of the Audited Bonds, Village Center

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

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

It has been reported that the IRS has closed audits of other community development districts in the State with no change to such districts' bonds' tax-exempt status, but has advised such districts that such districts must have public electors within five (5) years of the

issuance of tax-exempt bonds or their bonds may be determined to be taxable retroactive to the date of issuance. Pursuant to the Act, general elections are not held until the later of six (6) years or when there are 250 qualified electors in the District. The District, unlike Village Center CDD, was formed with the intent that it will contain a sufficient number of residents to allow for a transition to control by a general electorate. Currently, all members of the Board were elected by the landowners within the District and none were elected by qualified electors. Although it is impossible to predict whether the IRS will select the Series 2021 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 2021 Bonds are advised that, if the IRS does audit the Series 2021 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 2021 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 2021 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 2021 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 2021 Bonds would adversely affect the availability of any secondary market for the Series 2021 Bonds. Should interest on the Series 2021 Bonds become includable in gross income for federal income tax purposes, not only will Owners of Series 2021 Bonds be required to pay income taxes on the interest received on such Series 2021 Bonds and related penalties, but because the interest rates on such Series 2021 Bonds will not be adequate to compensate Owners of the Series 2021 Bonds for the income taxes due on such interest, the value of the Series 2021 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 2021 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 2021 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 2021 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 2021 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 2021 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 2021 Bonds.

It is impossible to predict what new proposals may be presented regarding ad valorem tax reform and/or community development districts during upcoming legislative sessions, whether such new proposals or any previous proposals regarding the same will be adopted by the Florida Senate and House of Representatives and signed by the Governor, and, if adopted, the form thereof. 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 2021 Bonds. It should be noted that Section 190.16(14) of the Act provides in pertinent part that "the state pledges to the holders of any bonds issued under the Act that it will not limit or alter the rights of the district to levy and collect the assessments and to fulfill the terms of any agreement made with the holders of such bonds and that it will not impair the rights or remedies of such holders."

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

Since the Series 2021 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 2021 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 2021 Bonds would need to ensure that subsequent transfers of the Series 2021 Bonds are made pursuant to a transaction that is not subject to the registration requirements of the Securities Act.

### **Performance of District Professionals**

The District has represented to the Underwriter that it has selected its District Manager, District Counsel, District 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.

### **No Rating or Credit Enhancement**

No application for a rating or credit enhancement on the Series 2021 Bonds has been made, nor is there any reason to believe that the District would have been successful in obtaining either for the Series 2021 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 2021 Special 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 2021 Special Assessments.

## ESTIMATED SOURCES AND USES OF BOND PROCEEDS

### Source of Funds

Par Amount of Series 2021 Bonds  
Less/Plus Original Issue Discount/Premium

### **Total Sources**

### Uses of Funds

Deposit to 2021 Acquisition and Construction Account  
Deposit to 2021 Reserve Account  
Deposit to 2021 Interest Account<sup>(1)</sup>  
Deposit to 2021 Costs of Issuance Account<sup>(2)</sup>  
Underwriter's Discount

### **Total Uses**

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<sup>(1)</sup> Represents capitalized interest through [\_\_\_\_\_, 20\_\_].

<sup>(2)</sup> Costs of issuance include, without limitation, legal fees and other costs associated with the issuance of the Series 2021 Bonds.

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## DEBT SERVICE REQUIREMENTS

The following table sets forth the scheduled debt service on the Series 2021 Bonds:

<u>Period Ending November 1st</u>	<u>Principal</u>	<u>Interest</u>	<u>Annual Debt Service</u>
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## **TAX MATTERS**

### **General**

The Internal Revenue Code of 1986, as amended (as previously defined, the "Code") establishes certain requirements which must be met subsequent to the issuance and delivery of the Series 2021 Bonds for interest thereon to be and remain excluded from gross income for federal income tax purposes. Noncompliance with such requirements could cause the interest on the Series 2021 Bonds to be included in gross income for federal income tax purposes retroactive to the date of issue of the Series 2021 Bonds. The District has covenanted in the Indenture to comply with each such requirement.

In the opinion of Akerman LLP, Bond Counsel, the proposed form of which is attached as APPENDIX D hereto, assuming continuing compliance with certain covenants by the District and the accuracy of certain representations of the District, under existing statutes, regulations, published rulings, and judicial decisions, interest on the Series 2021 Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax.

The opinion on federal tax matters will be based on and will assume the accuracy of certain representations and certifications and compliance with certain covenants of the District to be contained in the transcript of proceedings and that are intended to evidence and assure the foregoing, including that the Series 2021 Bonds are and will remain obligations the interest on which is excluded from gross income for federal income tax purposes. Bond Counsel will not independently verify the accuracy of these certifications and representations.

Bond Counsel's opinions are based on existing law, which is subject to change. Moreover, Bond Counsel's opinions are not a guarantee of a particular result and are not binding on the IRS or the courts; rather, such opinions represent Bond Counsel's professional judgment based on its review of existing law, and in reliance on the representations and covenants that it deems relevant to such opinions.

The IRS has established an on-going program to audit tax-exempt obligations to determine whether interest on such obligations is includible in gross income for federal income tax purposes. Bond Counsel cannot predict whether the IRS will commence an audit of the Series 2021 Bonds. Owners of the Series 2021 Bonds are advised that, if the IRS does audit the Series 2021 Bonds, under current IRS procedures, at least during the early stages of an audit, the IRS will treat the District as the taxpayer, and the owners of the Series 2021 Bonds may have limited rights to participate in such procedure. The commencement of an audit could adversely affect the market value and liquidity of the Series 2021 Bonds until the audit is concluded, regardless of the ultimate outcome.

### **Collateral Tax Consequences**

Prospective purchasers of the Series 2021 Bonds should be aware that ownership of, accrual or receipt of interest on or disposition of tax-exempt obligations, such as the Series 2021 Bonds, may have additional federal income tax consequences for certain taxpayers, including, without limitation, recipients of certain Social Security and certain Railroad

Retirement benefits, taxpayers that may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, and certain S corporations.

Bond Counsel expresses no opinion regarding any federal tax consequences other than its opinion with regard to the exclusion of interest on the Series 2021 Bonds from gross income pursuant to Section 103 of the Code and the treatment of interest for purposes of the federal alternative minimum tax. Prospective purchasers of the Series 2021 Bonds should consult their tax advisors with respect to all other tax consequences (including, but not limited to, those listed above) of holding the Series 2021 Bonds. Prospective purchasers of the Series 2021 Bonds may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

### **Other Tax Matters**

In the opinion of Bond Counsel, interest on the Series 2021 Bonds is exempt from taxation under the existing laws of the State of Florida, except as to estate taxes and taxes imposed under Chapter 220, Florida Statutes, on interest, income or profits on debt obligations owned by corporations, as defined in said Chapter 220, Florida Statutes.

Interest on the Series 2021 Bonds may be subject to state or local income taxation under applicable state or local laws in other jurisdictions. Purchasers of the Series 2021 Bonds should consult their tax advisors as to the income tax status of interest on the Series 2021 Bonds, in their particular state or local jurisdictions.

During recent years, legislative proposals have been introduced in Congress, and in some cases enacted, that altered certain federal tax consequences resulting from the ownership of obligations that are similar to the Series 2021 Bonds. In some cases, these proposals have contained provisions that altered these consequences on a retroactive basis. Such alteration of federal tax consequences may have affected the market value of obligations similar in nature to the Series 2021 Bonds. From time to time, legislative proposals may be introduced which could have an effect on both the federal tax consequences resulting from the ownership of the Series 2021 Bonds and their market value. No assurance can be given that any such legislative proposals, if enacted, would not apply to, or would not have an adverse effect upon, the Series 2021 Bonds. Prospective purchasers of the Series 2021 Bonds should consult their tax advisors as to the impact of any pending or proposed legislation. Bond Counsel has not undertaken to advise in the future whether any events after the date of issuance of the Series 2021 Bonds may affect the tax status of interest on the Series 2021 Bonds.

### **Original Issue Discount**

Under the Code, the difference between the maturity amount of the Series 2021 Bond maturing on \_\_\_\_\_ (the "Discount Bonds"), and the initial offering price to the public, excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers, at which price a substantial amount of the Discount Bonds of the same maturity and if applicable, interest rate, was sold is "original issue discount." For federal income tax purposes, original issue discount will accrue over the term of the Discount Bonds at a constant interest rate compounded on each interest payment date (or over a shorter permitted compounding interval selected by the Owner). A purchaser who acquires

the Discount Bonds in the initial offering at a price equal to the initial offering price thereof to the public will be treated as receiving an amount of interest excludable from gross income for federal income tax purposes equal to the original issue discount accruing during the period he or she holds the Discount Bonds subject to the same considerations discussed above and will increase his or her adjusted basis in the Discount Bonds by the amount of such accruing discount for purposes of determining taxable gain or loss on the sale or disposition of the Discount Bonds. The federal income tax consequences of the purchase, ownership and redemption, sale or other disposition of the Discount Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those above. Bondholders of the Discount Bonds should consult their own tax advisors with respect to the precise determination for federal income tax purposes of interest accrued upon sale, redemption or other disposition of the Discount Bonds and with respect to the state and local tax consequences of owning and disposing of the Discount Bonds.

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

Interest paid on tax-exempt bonds such as the Series 2021 Bonds is subject to information reporting to the IRS. Interest paid on tax-exempt bonds such as the Series 2021 Bonds is subject to information reporting to the IRS in a manner similar to interest paid on taxable obligations. This reporting requirement does not affect the excludability of interest on the Series 2021 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 2021 Bonds, under certain circumstances, to "backup withholding" at the rate specified in the Code with respect to payments on the Series 2021 Bonds and proceeds from the sale of 2021 Bonds. Any amount so withheld would be refunded or allowed as a credit against the federal income tax of such owner of 2021 Bonds. This withholding generally applies if the owner of 2021 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 2021 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.

### **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 has not previously issued any bonds or other indebtedness and is not and has not ever been in default as to principal and interest on its bonds or other debt obligations.

## **VALIDATION**

The Series 2021 Bonds are a portion of the Bonds that were validated by a Final Judgment of the Circuit Court of the Fourth Judicial Circuit of Florida, in and for Clay County, Florida, rendered on [August 6, 2021]. [The period during which an appeal can be taken has expired with no appeal being taken.]

## **LITIGATION**

### **District**

There is no pending or, to the knowledge of the District, any threatened litigation against the District of any nature whatsoever which in any way questions or affects the validity of the Series 2021 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 2021 Trust Estate or the ability of the District to pay the Series 2021 Bonds from the 2021 Trust Estate.

### **Developer**

In connection with the issuance of the Series 2021 Bonds, the Developer will represent to the District that there is no litigation of any nature now pending or, to the knowledge of the Developer, threatened, which could reasonably be expected to have a material and adverse effect upon the ability of the Developer to complete the Development as described herein or materially and adversely affect the ability of the Developer to perform its obligations described in this Limited Offering Memorandum.

## **CONTINUING DISCLOSURE**

In order to comply with the continuing disclosure requirements of Rule 15c2-12(b)(5) of the Securities and Exchange Commission (the "Rule"), the District, the Developer and Governmental Management Services, LLC, 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 2021 Bonds to provide to the Dissemination Agent certain financial information and operating data relating to the District, the Development and the Series 2021 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 2021 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 2021 Bonds. With respect to the Series 2021 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.

Since this is the first bond issuance of the District, the District has not previously entered into any continuing disclosure undertakings as an obligated person during the past five (5) years. Additionally, the Developer has not previously entered into any continuing disclosure undertakings as an obligated person during the past five (5) years.

## **UNDERWRITING**

The Underwriter has agreed, pursuant to a contract entered into with the District, subject to certain conditions, to purchase the Series 2021 Bonds from the District at a purchase price of \$\_\_\_\_\_ (representing the par amount of the Series 2021 Bonds of \$\_\_\_\_\_, less an Underwriter's discount of \$\_\_\_\_\_ and less/plus an original issue discount/premium 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 2021 Bonds if any are purchased.

The Underwriter intends to offer the Series 2021 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 2021 Bonds to certain dealers (including dealers depositing the Series 2021 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.

## **LEGAL MATTERS**

The Series 2021 Bonds are offered for delivery when, as and if issued by the District and accepted by the Underwriter, subject to prior sale, withdrawal or modification of the offer and the receipt of the opinion of Akerman LLP, Jacksonville, Florida, Bond Counsel, as to the validity of the Series 2021 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, KE Law Group, PLLC, Tallahassee, Florida, for the Developer by its in-house counsel, for the Trustee by its counsel, Aponte & Associates Law Firm, P.L.L.C., Orlando, Florida and for the Underwriter by its counsel, Nabors, Giblin & Nickerson, P.A., Tampa, Florida.

Bond Counsel's opinion included herein is based on existing law, which is subject to change. Such opinion is further based on factual representations made to Bond Counsel as

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

### **AGREEMENT BY THE STATE**

Under the Act, the State pledges to the holders of any bonds issued thereunder, including the Series 2021 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 Florida 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, 2021. The Series 2021 Bonds are not general obligation bonds of the District and are payable solely from the 2021 Trust Estate. See "CONTINUING DISCLOSURE" herein.

### **EXPERTS AND CONSULTANTS**

The references herein to Dunn & Associates, Inc., as District Engineer have been approved by said firm. The Engineer's Report prepared by such firm has been included as 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 2021 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 Governmental Management Services, LLC, 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 2021 Bonds. Except for the payment of fees to District Counsel, the District Engineer 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 2021 Bonds.

## **NO RATING OR CREDIT ENHANCEMENT**

No application for a rating or credit enhancement on the Series 2021 Bonds has been made, nor is there any reason to believe that the District would have been successful in obtaining either for the Series 2021 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 2021 Bonds.

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

The information and expression of opinion herein are subject to change without notice and neither the delivery of this Limited Offering Memorandum nor any sale made hereunder is to create, under any circumstances, any implication that there has been no change in the affairs of the District, the Developer or the Development from the date hereof. However, certain parties to the transaction will, on the closing date of the Series 2021 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 2021 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.

**ANABELLE ISLAND COMMUNITY  
DEVELOPMENT DISTRICT**

By: \_\_\_\_\_  
Name: Jim McDade  
Its: Chairman



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

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

**APPENDIX C**

**FORMS OF MASTER INDENTURE AND 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 **ANABELLE ISLAND COMMUNITY DEVELOPMENT DISTRICT** (the "**District**"), **KB HOME JACKSONVILLE LLC**, a Delaware limited liability company (the "**Developer**"), and **GOVERNMENTAL MANAGEMENT SERVICES, LLC** (the "**Dissemination Agent**") in connection with the issuance by the District of its \$[Bond Amount] Special Assessment Revenue Bonds, Series 2021 (the "**Bonds**"). The Bonds are being issued pursuant to a Master Trust Indenture, dated as of September 1, 2021 (the "**Master Indenture**"), between the District and U.S. Bank National Association, as trustee (the "**Trustee**") as supplemented by a First Supplemental Trust Indenture, dated as of September 1, 2021 (the "**Supplemental Indenture**" and, together with the Master Indenture, the "**Indenture**"), between the District and 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 Owners 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) of the Rule and specified in Section 3(a) of this Disclosure Agreement.

**"Annual Report"** shall mean any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

**"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 prior Fiscal Year, certified by an independent auditor as prepared in accordance with generally accepted accounting principles or otherwise, as such term is used in paragraph (b)(5)(i)(B) of the Rule and specified in Section 4(a) of this Disclosure Agreement.

**"Audited Financial Statements Filing Date"** shall mean the date under State law by which a unit of local government must produce its Audited Financial Statements, which as of the date hereof is nine (9) months after the end of the Fiscal Year of such unit of local government, including the District.

**"Beneficial Owner"** shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bond for federal income tax purposes.

**"Business Day"** shall mean a day other than (a) a Saturday, Sunday or day on which banks located in the city in which the designated corporate trust office of the Trustee and Paying Agent is located are required or authorized by law or executive order to close for business and (b) a day on which the New York Stock Exchange is closed.

**"Development"** shall have the meaning ascribed to such term in the Limited Offering Memorandum.

**"Disclosure Representative"** shall mean (a) as to the District, the District Manager or its designee, or such other person as the District shall designate in writing to the Trustee and the Dissemination Agent from time to time as the person responsible for providing information to the Dissemination Agent; (b) as to the Developer, the individual(s) executing this Disclosure Agreement on behalf of the Developer or such person(s) as the Developer shall designate in writing to the Trustee and the Dissemination Agent from time to time as the person(s) responsible for providing information to the Dissemination Agent; and (c) as to any Landowner other than the Developer, such person(s) as the Landowner 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. Governmental Management Services, LLC, 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 of this Disclosure Agreement, Governmental Management Services, LLC, 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.

**"Landowner"** shall mean each owner of land within the District which, along with its affiliates, successors, and assigns (excluding residential homebuyers), is responsible for payment of at least twenty percent (20%) of the Assessments; provided as of the date of the execution and delivery of this Disclosure Agreement, the Developer is the only Landowner.

**"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) of this Disclosure Agreement.

**"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, for purposes of this Disclosure Agreement only, each Landowner.

**"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 Landowner, its successors or assigns pursuant to, and as described in, Sections 5 and 6 of this Disclosure Agreement.

**"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.

**"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 Fiscal Year;
- (ii) The amount of Assessments collected from property owners during the most recent Fiscal Year and the principal amount of Assessments assigned to platted units;
- (iii) 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) The amount of tax certificates sold for lands within the District, if any, and the balance, if any, remaining for sale from the most recent 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; 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, 2021, 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) of this Disclosure Agreement; 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).

(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 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 and 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 Development 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;
  - (iv) The number of residential units closed with end users;
  - (v) The number of residential units under contract with end users;
  - (vi) The estimated date of complete build-out of residential units;
  - (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 Development that would affect property subject to the Assessments;

(ix) Materially adverse changes or determinations to permits or approvals for the Development which necessitate changes to the Developer's land-use or other plans for the Development that would affect property subject to the Assessments;

(x) Updated plan of finance for the Development (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;

(xi) Any event that has a material adverse impact on the implementation of the Development as described in the Limited Offering Memorandum or on the Developer's ability to undertake the Development 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 represents and warrants that it will supply, in a timely fashion, any information reasonably requested by the Dissemination Agent that is necessary in order for the Dissemination Agent to carry out its duties under this Disclosure Agreement. The Developer acknowledges and agrees that the information to be collected and disseminated by the Dissemination Agent will be provided by the Developer, the Disclosure Representative of the Developer and others. The Dissemination Agent's duties do not include authorship or production of any materials, and the Dissemination Agent shall have no responsibility hereunder for the content of the information provided to it by the Developer, the Disclosure Representative of the Developer or others as thereafter disseminated by the Dissemination Agent.

(d) If the Developer sells, assigns or otherwise transfers ownership of real property in the Development to a third party, which will in turn be an Obligated Person for purposes of this Disclosure Agreement as a result thereof (a "**Transfer**"), the Developer hereby agrees to require such third party to assume the disclosure obligations of the Developer hereunder for so long as such third party is an Obligated Person hereunder, to the same extent as if such third party were a party to this Disclosure Agreement. The Developer involved in such Transfer shall promptly notify the District and the Dissemination Agent in writing of the Transfer. For purposes of Sections 5, 6 and 7 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 their 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 January 31 (for each calendar quarter ending December 31), April 30 (for each calendar quarter ending March 31), July 31 (for each calendar quarter ending June 30), and October 31 (for each calendar quarter ending September 30) after the end of each calendar quarter, commencing [January 31, 2022], for the calendar quarter ending [December 31, 2021]; provided, however, that so long as any 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 stating that the Quarterly Report has been provided pursuant to this Disclosure Agreement and stating the date(s) 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 the 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;

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\* There is no credit enhancement for the Bonds as of the date hereof.

† The Bonds are not rated as of the date hereof.

(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 under this Disclosure Agreement 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 under this Disclosure Agreement shall terminate 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 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 Governmental Management Services, LLC. The acceptance of such designation is evidenced by the execution of this Disclosure Agreement by a duly authorized signatory of Governmental Management Services, LLC. Governmental Management Services, LLC, may terminate its role as Dissemination Agent at any time upon delivery of written notice to the District and the Developer. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the District or the Developer pursuant to this Disclosure Agreement.

**11. Amendment; Waiver.** Notwithstanding any other provision of this Disclosure Agreement, the District, the Developer and the Dissemination Agent (if the Dissemination Agent is not the District) may amend this Disclosure Agreement, and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, 5(a), 6 or 7, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the District and/or the Developer, or the type of business conducted;

(b) The Disclosure Agreement, as amended or taking into account such waiver, would, in the opinion of counsel expert in federal securities laws, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the holders or Beneficial Owners of the Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of holders or Beneficial Owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or Beneficial Owners of the Bonds.

Notwithstanding the foregoing, the District, the Developer and the Dissemination Agent shall have the right to adopt amendments to this Disclosure Agreement necessary to comply with modifications to and interpretations of the provisions of the Rule as announced by the SEC from time to time without any other conditions.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the District and/or the Developer shall describe such amendment in its next report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change in accounting principles, on the presentation) of financial information or operating data being presented by the District and the Developer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements of the District, (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, the Developer, the Disclosure Representative of the District, the Disclosure Representative of the Developer, or the Dissemination Agent to comply with any provision of this Disclosure Agreement, the Trustee may (and, at the request of any Participating Underwriter or the Beneficial Owners of more than 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, the Developer, the Disclosure Representative of the District, the Disclosure Representative of the Developer, 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, the Developer, the Disclosure Representative of the District, the Disclosure Representative of the Developer, 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 the applicable 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 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.

[Remainder of Page Intentionally Left Blank]

**SIGNATURE PAGE TO CONTINUING DISCLOSURE AGREEMENT  
(Anabelle Island Community Development District)**

IN WITNESS WHEREOF, the undersigned has executed this Disclosure Agreement as of the date and year set forth above.

[SEAL]

**ANABELLE ISLAND COMMUNITY  
DEVELOPMENT DISTRICT**

Consented and Agreed to by:

**GOVERNMENTAL MANAGEMENT SERVICES, LLC**, and its successors and assigns, as Disclosure Representative

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

By: \_\_\_\_\_  
James A. Perry, Managing Director

Joined by **U.S. BANK NATIONAL ASSOCIATION**, as Trustee for purposes of Sections 13, 15 and 18 only

**GOVERNMENTAL MANAGEMENT SERVICES, LLC**, as initial Dissemination Agent

By: \_\_\_\_\_  
Stacey L. Johnson, Vice President

By: \_\_\_\_\_  
James A. Perry, Managing Director

**KB HOME JACKSONVILLE LLC**, a Delaware limited liability company, as Developer

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

**EXHIBIT A TO CONTINUING DISCLOSURE AGREEMENT  
(Anabelle Island Community Development District)**

**NOTICE TO REPOSITORIES  
OF FAILURE TO FILE ANNUAL REPORT/QUARTERLY REPORT/  
AUDITED FINANCIAL STATEMENTS**

Name of District: Anabelle Island Community Development District

Obligated Person(s) Anabelle Island Community Development District  
KB Home Jacksonville LLC

Name of Bond Issue: \$[Bond Amount] Special Assessment Revenue Bonds, Series  
2021

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

*TENTH ORDER OF BUSINESS*

**RESOLUTION 2021-39**

**A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE ANABELLE ISLAND COMMUNITY DEVELOPMENT DISTRICT AUTHORIZING AND APPROVING CHANGE OF DESIGNATED REGISTERED AGENT AND REGISTERED OFFICE.**

**WHEREAS**, the Anabelle Island Community Development District (“District”) is a local unit of limited special-purpose government created and existing pursuant to Chapter 190, *Florida Statutes*, being situated entirely within Clay County, Florida; and

**WHEREAS**, the District is statutorily required to designate a registered agent and a registered office location for the purposes of records keeping and accepting any process, notice, or demand required or permitting by law to be served upon the District in accordance with Section 189.014(1), *Florida Statutes*.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE ANABELLE ISLAND COMMUNITY DEVELOPMENT DISTRICT:**

**Section 1.** Marilee Giles is hereby designated as Registered Agent for the District.

**Section 2.** The District's Registered Office shall be located at Governmental Management Services, LLC, 475 West Town Place, Suite 114, St. Augustine, FL 32092.

**Section 3.** In accordance with Section 189.014(1), *Florida Statutes*, the District’s Secretary is hereby directed to file certified copies of this resolution with Clay County and the Florida Department of Economic Opportunity.

**Section 4.** This Resolution shall become effective on upon its adoption.

**PASSED AND ADOPTED THIS 10TH DAY OF AUGUST 2021.**

**ATTEST:**

**ANABELLE ISLAND COMMUNITY  
DEVELOPMENT DISTRICT**

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

\_\_\_\_\_  
Chairman, Board of Supervisors

*ELEVENTH ORDER OF BUSINESS*



*C.*

**BOARD OF SUPERVISORS MEETING DATES  
ANABELLE ISLAND COMMUNITY DEVELOPMENT DISTRICT  
FOR FISCAL YEAR 2021-2022**

The Board of Supervisors of the Anabelle Island Community Development District will hold their regular meetings for Fiscal Year 2021-2022 at 2:00 p.m. at the Plantation Oaks Amenity Center, 845 Oakleaf Plantation Parkway, Orange Park, Florida 32065 on the second Tuesday of each month as follows or otherwise noted:

October 12, 2021  
November 9, 2021  
December 14, 2021  
January 11, 2022  
February 8, 2022  
March 8, 2022  
April 12, 2022  
May 10, 2022  
June 14, 2022  
July 12, 2022  
August 9, 2022  
September 13, 2022

*FOURTEENTH ORDER OF BUSINESS*

# Anabelle Island

## Community Development District

Unaudited Financial Reporting  
July 31, 2021



**Anabelle Island**  
**Community Development District**

**BALANCE SHEET**

July 31, 2021

**General Fund**

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**ASSETS:**

Cash	\$9,906
Due from Developer	\$20,190
Due from Capital	\$12,461

**TOTAL ASSETS**

**\$42,557**

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**LIABILITIES:**

Accounts Payable	\$0
Due to Developer	\$14,835

**FUND BALANCES:**

Unrestricted	\$27,722
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**TOTAL LIABILITIES & FUND EQUITY**

**\$42,557**

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**Anabelle Island**  
**Community Development District**

**GENERAL FUND**

Statement of Revenues & Expenditures  
For The Period Ending  
July 31, 2021

	ADOPTED BUDGET	PRORATED BUDGET 7/31/21	ACTUAL 7/31/21	VARIANCE
<b><u>REVENUES:</u></b>				
Developer Contributions	\$64,526	\$43,017	\$48,360	\$5,342
<b>TOTAL REVENUES</b>	<b>\$64,526</b>	<b>\$43,017</b>	<b>\$48,360</b>	<b>\$5,342</b>
<b><u>EXPENDITURES:</u></b>				
<b><u>ADMINISTRATIVE:</u></b>				
Supervisors Fees	\$6,000	\$4,000	\$1,000	\$3,000
FICA Expense	\$459	\$306	\$77	\$230
Engineering	\$6,000	\$4,000	\$0	\$4,000
Attorney	\$12,500	\$8,333	\$7,316	\$1,018
Assessment Administration	\$0	\$0	\$0	\$0
Management Fees	\$22,500	\$15,000	\$7,500	\$7,500
Website Creation/ADA Compliance	\$1,750	\$1,750	\$1,750	\$0
Website Maintenance	\$600	\$400	\$0	\$400
Information Technology	\$900	\$600	\$0	\$600
Telephone	\$250	\$167	\$0	\$167
Postage	\$500	\$333	\$9	\$324
Insurance	\$3,500	\$2,333	\$0	\$2,333
Printing & Binding	\$500	\$500	\$511	(\$11)
Legal Advertising	\$8,000	\$5,333	\$2,422	\$2,911
Other Current Charges	\$500	\$333	\$24	\$310
Office Supplies	\$417	\$278	\$29	\$249
Dues, Licenses & Subscriptions	\$150	\$100	\$0	\$100
<b>TOTAL EXPENDITURES</b>	<b>\$64,526</b>	<b>\$43,767</b>	<b>\$20,637</b>	<b>\$23,130</b>
<b>EXCESS REVENUES (EXPENDITURES)</b>	<b>\$0</b>		<b>\$27,722</b>	
<b>FUND BALANCE - Beginning</b>	<b>\$0</b>		<b>\$0</b>	
<b>FUND BALANCE - Ending</b>	<b>\$0</b>		<b>\$27,722</b>	

**Anabelle Island  
Community Development District**

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Total
<b>REVENUES</b>													
Developer Contributions	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$20,000	\$9,420	\$18,939	\$0	\$0	\$48,360
<b>TOTAL REVENUES</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$20,000</b>	<b>\$9,420</b>	<b>\$18,939</b>	<b>\$0</b>	<b>\$0</b>	<b>\$48,360</b>
<b>EXPENDITURES</b>													
Supervisors Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$600	\$400	\$0	\$0	\$1,000
FICA Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$46	\$31	\$0	\$0	\$77
Engineering	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Attorney	\$0	\$0	\$0	\$0	\$0	\$4,697	\$2,619	\$0	\$0	\$0	\$0	\$0	\$7,316
Assessment Administration	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Management Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$3,750	\$3,750	\$0	\$0	\$0	\$0	\$7,500
Website Creation/ADA Compliance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,750	\$0	\$0	\$0	\$1,750
Website Maintenance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Information Technology	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Telephone	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Postage	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$9	\$0	\$0	\$0	\$0	\$9
Insurance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Printing & Binding	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$511	\$0	\$0	\$0	\$0	\$511
Legal Advertising	\$0	\$0	\$0	\$0	\$0	\$0	\$522	\$1,581	\$319	\$0	\$0	\$0	\$2,422
Other Current Charges	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1	\$23	\$0	\$0	\$24
Office Supplies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$29	\$0	\$0	\$0	\$0	\$29
Dues, Licenses & Subscriptions	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>TOTAL EXPENDITURES</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$4,697</b>	<b>\$6,891</b>	<b>\$5,881</b>	<b>\$2,716</b>	<b>\$454</b>	<b>\$0</b>	<b>\$0</b>	<b>\$20,637</b>
<b>EXCESS REVENUES (EXPENDITURES)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$4,697)</b>	<b>(\$6,891)</b>	<b>\$14,119</b>	<b>\$6,705</b>	<b>\$18,486</b>	<b>\$0</b>	<b>\$0</b>	<b>\$27,722</b>

**Anabelle Island**  
**Community Development District**  
 Developer Contributions/Due from Developer

<b>Funding Request #</b>	<b>Date Prepared</b>	<b>Date Payment Received</b>	<b>Check Amount</b>	<b>Total Funding Request</b>	<b>General Fund Portion</b>	<b>Capital Project Portion</b>	<b>Over and (short) Balance Due</b>
1	4/6/21	2/8/21	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ -	\$ -
2	4/30/21	6/28/21	\$ 10,958.90	\$ 10,958.90	\$ 9,420.40	\$ 1,538.50	\$ -
3	5/27/21	7/22/21	\$ 12,045.61	\$ 12,045.61	\$ 8,448.11	\$ 3,597.50	\$ -
4	7/4/21			\$ 20,189.81	\$ 10,491.31	\$ 9,698.50	\$ (20,189.81)
<b>Due from Developer</b>			<b>\$ 43,004.51</b>	<b>\$ 63,194.32</b>	<b>\$ 48,359.82</b>	<b>\$ 14,834.50</b>	<b>\$ (20,189.81)</b>
<b>Total Developer Contributions FY21</b>				<b><u>\$ 63,194.32</u></b>			



*FIFTEENTH ORDER OF BUSINESS*

# Anabelle Island

Development District

FY 21 Funding Request # 5

August 2, 2021

PAYEE	CAPITAL PROJECT	GENERAL FUND
<b>1 KE Law Group, PPLC</b> Inv # 45 - Bond Validation - July 2021	\$ 379.50	
<b>2 Governmental Management Services</b> Inv # 4 - Management Fees - July 2021		\$ 4,041.80
Inv # 4 - OPC New LLC - Advertising Reimbursement - July 2021		\$ 639.00
<b>3 Clay Today</b> Inv # 325757 - Notice of audit committee meeting - 6/15/21		\$ 50.00
Inv # 278136 - Notice of public hearing and meeting - 7/15/21		\$ 1,509.60
<b>4 Payroll Meeting Date 6/8/21</b>		\$ 436.00
<b>5 Payroll Meeting Date 7/13/21</b>		\$ 436.00
	<b>\$ 379.50</b>	<b>\$ 7,112.40</b>
	<b>TOTAL</b>	<b>\$ 7,491.90</b>

Please make check payable to:

**Anabelle Island CDD**

475 W Town Place Suite 114

Saint Augustine, FL 32092

Signature: \_\_\_\_\_  
Chairman/Vice Chairman

Signature: \_\_\_\_\_  
Secretary/Asst. Secretary

**Governmental Management Services, LLC**1001 Bradford Way  
Kingston, TN 37763**Invoice**

Invoice #: 4

Invoice Date: 7/1/21

Due Date: 7/1/21

Case:

P.O. Number:

**Bill To:**Anabelle Island CDD  
475 West Town Place  
Suite 114  
St. Augustine, FL 32092

Description	Hours/Qty	Rate	Amount
Management Fees - July 2021		3,750.00	3,750.00
Office Supplies		15.12	15.12
Postage		2.84	2.84
Copies		250.20	250.20
Telephone		23.61	23.61
OPC News LLC		639.00	639.00

RECEIVED

JUL 07 2021

**Total** \$4,680.77**Payments/Credits** \$0.00**Balance Due** \$4,680.77

**CLAY  
TODAY**

3513 U.S. Hwy. 17 • Fleming Island, FL 32003  
Phone: (904) 284-3200

**Recorder**  
Not just a newspaper, we're a community.

1102 A1A North, Unit 108 • Ponte Vedra Beach, FL 32082  
Phone: (904) 285-8831

## Advertising Invoice

ANABELLE ISLAND CDD C/O GMS LLC  
475 W TOWN PL # 114  
ST AUGUSTINE, FL 32092

Cust#: 1001377  
Ad#: 325757  
Phone#: 904-940-5850  
Date: 06/15/2021

Salesperson: Clay Legals

Classification: Legal Notice

Ad Size: 1.0 x 5.000

### Advertisement Information:

Description	Start	Stop	Ins.	Cost/Day	Total
Clay Today	07/01/2021	07/01/2021	1	50.00	50.00

### Payment Information:

Date:	Order#	Type
06/15/2021	325757	BILLED ACCOUNT

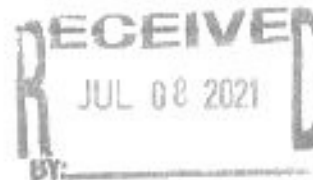
Total Amount: 50.00

Tax: 0.00

Amount Due: 50.00

Attention: Requests for credits or refunds for early cancellations must be made within 90 days.

Ad Copy



*paid*

PUBLISHER AFFIDAVIT  
CLAY TODAY  
Published Weekly  
Orange Park, Florida

STATE OF FLORIDA  
COUNTY OF CLAY:

Before the undersigned authority personally appeared Jon Cantrell, who on oath says that he is the publisher of the "Clay Today" a newspaper published weekly at Orange Park in Clay County, Florida; that the attached copy of advertisement being a

NOTICE OF MEETING

in the matter of

AUDIT COMMITTEE MEETING

LEGAL: 47958 ORDER: 325757

was published in said newspaper in the issues:

07/01/2021

Affiant further says that said "Clay Today" is a newspaper published at Orange Park, in said Clay County, Florida, and that the said newspaper has heretofore been continuously published in said Clay County, Florida, weekly, and has been entered as Periodical material matter at the post office in Orange Park, in said Clay County, Florida, for period of one year next proceeding the first publication of the attached copy of advertisement; and affiant further says that he has neither paid nor promised any person, firm or corporation any discount, rebate, commission or refund for the purpose of securing this advertisement for publication in the said newspaper.



Sworn to me and subscribed before me 07/01/2021.

*Christie Lou Wayne*  
NOTARY PUBLIC, STATE OF FLORIDA



3515 US HWY 17 Suite A, Fleming Island FL 32003  
Telephone (904) 264-3200 - FAX (904) 264-3285  
E-Mail: Christie@opcfla.com

**Notice of Audit  
Committee Meeting  
Anabelle Island**

**Community Development District**  
The Audit Committee Meeting of the Board of Supervisors of the Anabelle Island Community Development District will be held on Tuesday, July 13, 2021 at 2:00 p.m. at the Plantation Oaks Amenity Center, 845 Oakleaf Plantation Parkway, Orange Park, Florida 32065. The meeting is open to the public and will be conducted in accordance with the provisions of Florida Law for Community Development Districts. A copy of the agenda for this meeting may be obtained from the District Manager, at 475 West Town Place, Suite 114, St. Augustine, FL 32082 (and phone (904) 940-5850). This meeting may be continued to a date, time, and place to be specified on the record at the meeting. There may be occasions when one or more Supervisors will participate by telephone.

Any person requiring special accommodations at this meeting because of a disability or physical impairment should contact the District Office at (904) 940-5850 at least two calendar days prior to the meeting. If you are hearing or speech impaired, please contact the Florida Relay Service at 1-800-955-8770, for aid in contacting the District Office.

Each person who decides to appeal any action taken at these meetings 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 such appeal is to be based.

James Perry  
District Manager  
Legal 47958 published July 1, 2021 in Clay County's Clay Today newspaper

# CLAY TODAY NEWSPAPER

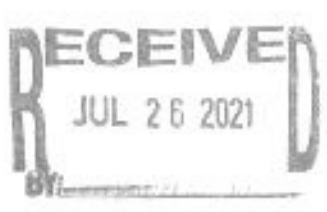
OPC NEWS, LLC  
3513 US HWY 17  
FLEMING ISLAND FL 32003  
904-264-3200

DATE 7/15/21

ANABELLE ISLAND CDD

C/O GMS, LLC  
475 WEST TOWN PLACE, SUITE 114  
ST AUGUSTINE FLORIDA 32092

ACCOUNT #: 1001377

Date	Order #	Purchase Order Number / Description	Times Run	Amount
7/8/21-7/15/21	278136	2021/2022 BUDGET HEARING SECOND RUN DISCOUNTED AT 15%  LEGAL DISPLAY - 1 FULL PAGE      LEGAL 48002  FED ID# 20-2112861  	2	\$816.00 \$693.60

TOTAL DUE ON ACCOUNT      S      **\$1,509.60**

Please Remit To:

CLAY TODAY NEWSPAPER  
3513 US HWY 17  
FLEMING ISLAND FL 32003

Account Name: ANABELLE ISLAND CDD  
Account #: 1001377  
Order #: 278136  
Amount Due: S 1,509.60

**PUBLISHER AFFIDAVIT**

**CLAY TODAY**  
Published Weekly  
Orange Park, Florida

**STATE OF FLORIDA**  
**COUNTY OF CLAY:**

Before the undersigned authority personally appeared  
Jon Cantrell, who on oath says that he is the publisher of the  
"Clay Today" a newspaper published weekly at Orange Park in  
Clay County, Florida; that the attached copy of advertisement  
Being

**PUBLIC HEARINGS & MEETING**

in the matter of

2021/2022 BUDGETS

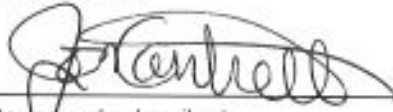
LEGAL 48002      Order 278136

was published in said newspaper in the issues

**JULY 8 AND JULY 15, 2021**

*see attached*

Affiant further says that said "Clay Today" is a newspaper published  
at Orange Park, in said Clay County, Florida, and that the said newspaper  
has heretofore been continuously published in said Clay County, Florida,  
weekly, and has been entered as Periodical material matter at the post  
office in Orange Park, in said Clay County, Florida, for period of one  
year next proceeding the first publication of the attached copy of  
advertisement; and affiant further says that he has neither paid nor promised  
any person, firm or corporation any discount, rebate, commission or  
refund for the purpose of securing this advertisement for publication in  
the said newspaper.



Sworn to me and subscribed  
before me this      15TH      day of JULY, 2021

*Christie Lou Wayne*  
NOTARY PUBLIC, STATE OF FLORIDA



**ANABELLE ISLAND COMMUNITY DEVELOPMENT DISTRICT**

**NOTICE OF PUBLIC HEARING TO CONSIDER THE ADOPTION OF THE FISCAL YEAR 2021/2022 BUDGET; NOTICE OF PUBLIC HEARING TO CONSIDER THE IMPOSITION OF OPERATIONS AND MAINTENANCE SPECIAL ASSESSMENTS, AND ADOPTION OF AN ASSESSMENT ROLL, AND THE LEVY, COLLECTION, AND ENFORCEMENT OF THE SAME; AND NOTICE OF REGULAR BOARD OF SUPERVISORS' MEETING.**

**Upcoming Public Hearings, and Regular Meeting**

The Board of Supervisors ("Board") for the Anabelle Island Community Development District ("District") will hold the following two public hearings and a regular meeting:

**DATE:** August 10, 2021  
**TIME:** 2:00 p.m.  
**LOCATION:** Plantation Oaks Amenity Center  
845 Oakleaf Plantation Parkway  
Orange Park, Florida 32065

The first public hearing is being held pursuant to Chapter 190, Florida Statutes, to receive public comment and objections on the District's proposed budget ("Proposed Budget") for the fiscal year beginning October 1, 2021 and ending September 30, 2022 ("Fiscal Year 2021/2022"). The second public hearing is being held pursuant to Chapters 170, 190 and 197, Florida Statutes, to consider the imposition of operations and maintenance special assessments ("O&M Assessments") upon the lands located within the District, to fund the Proposed Budget for Fiscal Year 2021/2022; to consider the adoption of an assessment roll; and, to provide for the levy, collection, and enforcement of assessments. At the conclusion of the hearings, the Board will, by resolution, adopt a budget and levy O&M Assessments as finally approved by the Board. A Board meeting of the District will also be held where the Board may consider any other District business.

**Description of Assessments**

The District imposes O&M Assessments on benefited property within the District for the purpose of funding the District's general administrative, operations, and maintenance budget. Pursuant to Section 170.07, Florida Statutes, a description of the services to be funded by the O&M Assessments, and the properties to be improved and benefited from the O&M Assessments, are all set forth in the Proposed Budget. A geographic depiction of the property potentially subject to the proposed O&M Assessments is identified in the map attached hereto. The table below

**Additional Provisions**

The public hearings and meeting are open to the public and will be conducted in accordance with the provisions of Florida law. A copy of the Proposed Budget, proposed assessment roll, and the agenda for the hearings and meeting may be obtained at the offices of the District Manager, located at 475 West Town Place, Suite 114, St. Augustine, FL 32092, Ph. (904) 940-5850 ("District Manager's Office"), during normal business hours. The public hearings and meeting may be continued to a date, time, and place to be specified on the record at the hearings or meeting. There may be occasions when staff or board members may participate by speaker telephone.

Any person requiring special accommodations at this meeting because of a disability or physical impairment should contact the District Manager's Office at least forty-eight (48) hours prior to the meeting. If you are hearing or speech impaired, please contact the Florida Relay Service by dialing 7-1-1, or 1-800-955-8777 (TTY) / 1-800-955-8770 (Voice), for aid in contacting the District Manager's Office.

Please note that all affected property owners have the right to appear at the public hearings and meeting and may also file written objections with the District Manager's Office within twenty days of publication of this notice. Each person who decides to appeal any decision made by the Board with respect to any matter considered at the public hearings or meeting is advised that person will need a record of 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 such appeal is to be based.

James Perry  
District Manager



**WHEREAS,** the Board has considered the Proposed Budget, including the Assessments, and desires to set the required public hearings thereon;

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE ANABELLE ISLAND COMMUNITY DEVELOPMENT DISTRICT:**

**1. PROPOSED BUDGET APPROVED.** The Proposed Budget prepared by the District Manager for Fiscal Year 2021/2022 attached hereto as Exhibit A is hereby approved as the basis for conducting a public hearing to adopt said Proposed Budget.

**2. DECLARING ASSESSMENTS.** Pursuant to Chapters 170, 190 and 197, Florida Statutes, the Assessments shall defray the cost of the Services in the total estimated amounts set forth in the Proposed Budget. The nature of, and plans and specifications for, the Services to be funded by the Assessments are described in the Proposed Budget and in the reports (if any) of the District Engineer, all of which are on file and available for public inspection at the "District's Office," Governmental Management Services, LLC, 475 West Town Place, Suite 114, St. Augustine, Florida 32092. The Assessments shall be levied within the District on all benefited lots and lands, and shall be apportioned, all as described in the Proposed Budget and the preliminary assessment roll included therein. The preliminary assessment roll is also on file and available for public inspection at the District's Office. The Assessments shall be paid in one more installments pursuant to a bill issued by the District in November of 2021, and pursuant to Chapter 170, Florida Statutes, or, alternatively, pursuant to the Uniform Method as set forth in Chapter 197, Florida Statutes.

**3. SETTING PUBLIC HEARINGS.** Pursuant to Chapters 170, 190, and 197, Florida Statutes, public hearings on the approved Proposed Budget and the Assessments are hereby declared and set for the following date, hour, and location:

**DATE:** August 10, 2021  
**HOUR:** 2:00 p.m.  
**LOCATION:** Plantation Oaks Amenity Center  
845 Oakleaf Plantation Parkway  
Orange Park, Florida 32065

**4. TRANSMITTAL OF PROPOSED BUDGET TO LOCAL GENERAL PURPOSE GOVERNMENT.** The District Manager is hereby directed to submit a copy of the Proposed Budget to Clay County at least sixty (60) days prior to the hearing set above.

**5. POSTING OF PROPOSED BUDGET.** In accordance with Section 189.016, Florida Statutes, the District's Secretary is further directed to post the approved Proposed Budget on the District's



The District imposes O&M Assessments on benefited property within the District for the purpose of funding the District's general administrative, operations, and maintenance budget. Pursuant to Section J.70.07, Florida Statutes, a description of the services to be funded by the O&M Assessments, and the properties to be improved and benefited from the O&M Assessments, are all set forth in the Proposed Budget. A geographic depiction of the property potentially subject to the proposed O&M Assessments is identified in the map attached herein. The table below shows the schedule of the proposed O&M Assessments, which are subject to change at the hearing.

Land Use	Total # Platted Lots	Proposed Assessment collection costs (early payment discounts)	Annual O&M (including early payment discounts)
Single Family Lot	70	\$832.77	

The proposed O&M Assessments as stated include collection costs and/or early payment discounts, which Clay County ("County") may impose on assessments that are collected on the County tax bill. Moreover, pursuant to Section 197.3632(4), Florida Statutes, the lien amount shall serve as the "maximum rate" authorized by law for O&M Assessments, such that no assessment hearing shall be held, or notice provided in future years unless the assessments are proposed to be increased or another criterion within Section 197.3652(4), Florida Statutes, is met. Note that the O&M Assessments do not include any debt service assessments previously levied by the District and due to be collected for Fiscal Year 2021/2022.

For Fiscal Year 2021/2022, the District intends to have the County tax collector collect the assessments imposed on certain developed property and will directly collect the assessments imposed on the remaining benefited property by sending out a bill prior to, or during, November 2021. It is important to pay your assessment because failure to pay will cause a tax certificate to be issued against the property which may result in loss of title, or for direct billed assessments, may result in a foreclosure action, which also may result in a loss of title. The District's decision to collect assessments on the tax roll or by direct billing does not preclude the District from later electing to collect those or other assessments in a different manner at a future time.



#### RESOLUTION 2021-35

### A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE ANABELLE ISLAND COMMUNITY DEVELOPMENT DISTRICT APPROVING THE PROPOSED BUDGET FOR FISCAL YEAR 2021/2022; DECLARING SPECIAL ASSESSMENTS TO FUND THE PROPOSED BUDGETS PURSUANT TO CHAPTERS 170, 190 AND 197, FLORIDA STATUTES; SETTING PUBLIC HEARINGS; ADDRESSING PUBLICATION; ADDRESSING SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the District Manager has heretofore prepared and submitted to the Board of Supervisors ("Board") of the Anabelle Island Community Development District ("District") prior to June 15, 2021, the proposed budget ("Proposed Budget") for the fiscal year beginning October 1, 2021, and ending September 30, 2022 ("Fiscal Year 2021/2022"); and

WHEREAS, it is in the best interest of the District to fund the administrative and operations services (together, "Services") set forth in the Proposed Budget by levy of special assessments pursuant to Chapters 170, 190 and 197, Florida Statutes ("Assessments"), as set forth in the preliminary assessment roll included within the Proposed Budget; and

WHEREAS, the District hereby determines that benefits would accrue to the properties within the District, as outlined within the Proposed Budget, in an amount equal to or in excess of the Assessments, and that such Assessments would be fairly and reasonably allocated as set forth in the Proposed Budget; and

4. **TRANSMITTAL OF PROPOSED BUDGET TO LOCAL GENERAL PURPOSE GOVERNMENT.** The District Manager is hereby directed to submit a copy of the Proposed Budget to Clay County at least sixty (60) days prior to the hearing set above.

5. **POSTING OF PROPOSED BUDGET.** In accordance with Section 189.016, Florida Statutes, the District's Secretary is further directed to post the approved Proposed Budget on the District's website at least two days before the budget hearing date as set forth in Section 3 and shall remain on the website for at least forty-five (45) days.

6. **PUBLICATION OF NOTICE.** The District shall cause this Resolution to be published once a week for a period of two weeks in a newspaper of general circulation published in Clay County. Additionally, notice of the public hearings shall be published in the manner prescribed in Florida law.

7. **SEVERABILITY.** The invalidity or unenforceability of any one or more provisions of this Resolution shall not affect the validity or enforceability of the remaining portions of this Resolution, or any part thereof.

8. **EFFECTIVE DATE.** This Resolution shall take effect immediately upon adoption.

**PASSED AND ADOPTED** this 8th day of June 2021.

Legal 48002 published July 8 and July 15, 2021 in Clay County's Clay Today newspaper

# ATTENDANCE SHEET

District: Anabelle Island

Meeting Date: ~~April 6, 2021~~ June 8, 2021

	Supervisor	In Attendance	Fees
1.	Jim McDade	<input checked="" type="checkbox"/>	NO
2.	Michael Russo	<input type="checkbox"/>	<u>NO</u>
3.	Darren Gowens	<input checked="" type="checkbox"/>	NO
4.	Kurt von der Osten	<input checked="" type="checkbox"/>	<del>\$200</del>
5.	Rose Bock	<input checked="" type="checkbox"/>	<del>\$200</del>

District Manager:

Mark Ishel

PLEASE RETURN COMPLETED FORM TO OKSANA KUZMUK





# INVOICE

P.O. Box 6386  
Tallahassee, Florida 32314

Invoice # 45  
Date: 08/02/2021  
Due On: 09/01/2021

Anabelle Island CDD  
475 West Town Place Suite 114  
St. Augustine, Florida 32092

## AICDD-102

### Bond Validation

Type	Date	Notes	Quantity	Rate	Total
Service	07/26/2021	Prepare and file notice of change of attorney address and firm; update signature blocks on joint stipulation, proposed order, and pre-hearing memorandum of law.	1.20	\$265.00	\$318.00
Service	07/27/2021	Review status of amended and restated notice and order to show cause; calendar new hearing date and circulate to bond validation team.	0.30	\$265.00	\$79.50
<b>Total</b>					<b>\$397.50</b>

### Detailed Statement of Account

#### Current Invoice

Invoice Number	Due On	Amount Due	Payments Received	Balance Due
45	09/01/2021	\$397.50	\$0.00	\$397.50
<b>Outstanding Balance</b>				<b>\$397.50</b>
<b>Total Amount Outstanding</b>				<b>\$397.50</b>

Please make all amounts payable to: KE Law Group, PLLC

Please pay within 30 days.