



Esplanade at Wellen Park

Community Development District

Meeting Agenda
February 12, 2026

JPWard and Associates, LLC
2301 N.E. 37th Street
Fort Lauderdale, Florida 33308
Phone: (954) 658-4900

ESPLANADE AT WELLEN PARK
Community Development District

LOCATION: Office of Taylor Morrison
551 Cattlemen Road, Suite 200
Sarasota, Florida 34232

DATE: February 12, 2026

TIME: 10:15 AM

MEETING AGENDA

Board of Supervisors

John Wollard, Chairman
Ron Schwied, Vice Chairman
Bryan Hughes, Assistant Secretary
Adam Dirkhising, Assistant Secretary
Eric van Schaik, Assistant Secretary

James P. Ward, District Manager
2301 N.E. 37th Street
Fort Lauderdale, Florida 33308
JimWard@JPWardAssociates.com
Phone: (954) 658-4900

The Public is provided with two opportunities to speak during the meeting. The first time is on each agenda item, and the second time is at the end of the agenda, on any other matter not on the agenda. These are limited to three (3) minutes unless further time is granted by the Presiding Officer. All remarks shall be addressed to the Board as a body and not to any member of the Board or staff. Please state your name and the name of the entity represented (if applicable) and the item on the agenda to be addressed.

Pursuant to Florida Statutes 286.0105, if a person decided to appeal any decision made by the body with respect to any matter considered at such meeting, he or she will need a record of the proceedings, and for such purpose, he or she may need to ensure that a verbatim record of the proceedings is made, which record includes testimony and evidence upon which the appeal is to be based.

Meeting Link: <https://districts.webex.com/districts/j.php?MTID=m8832bd1c24f2f01a02c480b4d0e8d66a>

✓ Phone: (408) 418-9388 Code: 2332 318 4263 Event Password Jpward

FEBRUARY, 2026

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AGENDA

1. Call to Order & Roll Call
2. Minutes:
 - I. January 13, 2026 - Regular Meeting.

Pages 7-8

3. Consideration of **Resolution 2026-2**, a Resolution of the Esplanade at Wellen Park Community Development District Authorizing the issuance of not exceeding \$16,000,000 in aggregate principal amount of its Capital Improvement Revenue Bonds, Series 2026, the proceeds of which will be applied to finance a portion of the cost of a series project consisting of certain public infrastructure and facilities benefiting certain District Lands, Paying a portion of the interest coming due on the Series 2026 Bonds, Funding the applicable series reserve account for the Series 2026 Bonds, and paying costs of issuance of the Series 2026 Bonds, as more fully described herein; reaffirming the form of Master Trust Indenture and approving the form of a First Supplemental Trust Indenture In Connection With The Series 2026 Bonds and authorizing the execution thereof; Ratifying the appointment of a Trustee, Paying Agent and Bond Registrar for the Series 2026 Bonds; Providing for redemption of the Series 2026 Bonds; Authorizing the application of the proceeds of the Series 2026 Bonds; Approving the form, and authorizing execution, of a Bond Purchase Contract providing for the negotiated sale of the Series 2026 Bonds; Delegating to the Chairperson or Vice-Chairperson, or in their absence any member of the Board of Supervisors, the authority to award the Series 2026 Bonds within the parameters specified herein; Approving the form, and authorizing the use, of a Preliminary Limited Offering Memorandum for the Series 2026 Bonds; Approving the distribution of a Final Limited Offering memorandum for the Series 2026 Bonds and the execution thereof; Approving the form, and authorizing execution, of A Continuing Disclosure Agreement; Authorizing preparation of Preliminary and Final Supplemental Assessment Methodology Reports and a Supplement to the Master Engineer's Report and the use of such reports in the Preliminary Limited Offering Memorandum and Final Limited Offering Memorandum, as applicable, for the Series 2026 Bonds; Providing for miscellaneous matters and authority; providing for severability; and providing an effective date.

Pages 9-225

4. Consideration of **Resolution 2026-3**, a Resolution of Esplanade at Wellen Park Community Development District Approving the District's Post-Issuance Compliance Guide for Tax-Exempt Bonds; and Providing an Effective Date.

Pages 226-306

5. Consideration of **Resolution 2026-4**, a Resolution of the Esplanade at Wellen Park Community Development District setting forth the specific terms of the District's Capital Improvement Revenue Bonds, Series 2026; Making certain additional findings and confirming and/or adopting an Engineer's Report and a Supplemental Assessment Report; Delegating authority to prepare final reports and update this resolution; confirming the maximum assessment lien securing the Bonds; Addressing The Allocation And Collection Of The Assessments Securing The Bonds; Addressing Prepayments; Addressing True-Up Payments; Providing For The Supplementation Of The Improvement Lien Book; And Providing For Conflicts, Severability And An Effective Date.

Pages 307-324

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6. Consideration of an Acquisition Agreement between Taylor Morrison of Florida, Inc. and the Esplanade at Wellen Park Community Development District acquiring certain infrastructure, roadways, stormwater management, utilities (water & sewer), offsite improvements, landscaping/lighting, and other infrastructure within or without the boundaries of the District.

Page 328-348

7. Staff Reports.

- I. District Attorney
- II. District Engineer
- III. District Manager

a) **Important Meeting Dates for Fiscal Year 2026:**

- Next Meeting: Tuesday March 10, 2026 - Regular Meeting.
- Tuesday, May 12, 2026 - proposed Public Hearing: Budget for FY 2027.

b) Financial Report for the period ending January 31, 2026 (unaudited).

Pages 349-353

8. Supervisors Requests.

9. Public Comments.

10. Adjournment.

Meeting Schedule - FY 2026

Tuesday, October 14, 2025

Tuesday, November 11, 2025

Tuesday, December 9, 2025

Tuesday, January 13, 2026

Tuesday, February 12, 2026

Tuesday, March 10, 2026

Tuesday, April 14, 2026

Tuesday, May 12, 2026

Tuesday, June 9, 2026

Tuesday, July 14, 2026

Tuesday, August 11, 2026

Tuesday, September 8, 2026

AGENDA

This portion of the agenda is provided for a more comprehensive explanation of the items for consideration by the Board of Supervisors during the meeting.

Item 2: Minutes – January 13, 2026 – Regular Meeting.

Item 3: **Resolution 2026-2**, a Resolution of the Esplanade at Wellen Park Community Development District Authorizing the issuance of not exceeding \$16,000,000 in aggregate principal amount of its Capital Improvement Revenue Bonds, Series 2026, the proceeds of which will be applied to finance a portion of the cost of a series project consisting of certain public infrastructure and facilities benefiting certain District Lands, Paying a portion of the interest coming due on the Series 2026 Bonds, Funding the applicable series reserve account for the Series 2026 Bonds, and paying costs of issuance of the Series 2026 Bonds, as more fully described herein; reaffirming the form of Master Trust Indenture and approving the form of a First Supplemental Trust Indenture In Connection With The Series 2026 Bonds and authorizing the execution thereof; Ratifying the appointment of a Trustee, Paying Agent and Bond Registrar for the Series 2026 Bonds; Providing for redemption of the Series 2026 Bonds; Authorizing the application of the proceeds of the Series 2026 Bonds; Approving the form, and authorizing execution, of a Bond Purchase Contract providing for the negotiated sale of the Series 2026 Bonds; Delegating to the Chairperson or Vice-Chairperson, or in their absence any member of the Board of Supervisors, the authority to award the Series 2026 Bonds within the parameters specified herein; Approving the form, and authorizing the use, of a Preliminary Limited Offering Memorandum for the Series 2026 Bonds; Approving the distribution of a Final Limited Offering memorandum for the Series 2026 Bonds and the execution thereof; Approving the form, and authorizing execution, of A Continuing Disclosure Agreement; Authorizing preparation of Preliminary and Final Supplemental Assessment Methodology Reports and a Supplement to the Master Engineer’s Report and the use of such reports in the Preliminary Limited Offering Memorandum and Final Limited Offering Memorandum, as applicable, for the Series 2026 Bonds; Providing for miscellaneous matters and authority; providing for severability; and providing an effective date.

Item 4: **Resolution 2026-3**, a Resolution of Esplanade at Wellen Park Community Development District Approving the District’s Post-Issuance Compliance Guide for Tax-Exempt Bonds; and Providing an Effective Date.

Item 5: **Resolution 2026-4**, a Resolution of the Esplanade at Wellen Park Community Development District setting forth the specific terms of the District’s Capital Improvement Revenue Bonds, Series 2026; Making certain additional findings and confirming and/or adopting an Engineer’s Report and a Supplemental Assessment Report; Delegating authority to prepare final reports and update this resolution; confirming the maximum assessment lien securing the Bonds; Addressing The Allocation And Collection Of The Assessments Securing The Bonds; Addressing Prepayments; Addressing True-Up Payments; Providing For The

AGENDA

Supplementation Of The Improvement Lien Book; And Providing For Conflicts, Severability And An Effective Date.

Item 6: Consideration of an Acquisition Agreement between Taylor Morrison of Florida, Inc. and the Esplanade at Wellen Park Community Development District acquiring certain infrastructure, roadways, stormwater management, utilities (water & sewer), offsite improvements, landscaping/lighting, and other infrastructure within or without the boundaries of the District

Item 7: Staff Reports: - Staff Reports are an opportunity to communicate to the Board of Supervisors on matters that did not require Board action or that did not appear on the Agenda and the Professional Staff deemed this to be of a matter that was to be brought to the attention for action or informational purposes of the Board of Supervisors before the ensuing Board of Supervisors Meeting.

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**MINUTES OF MEETING
ESPLANADE AT WELLEN PARK
COMMUNITY DEVELOPMENT DISTRICT**

10 The Regular Meeting of the Board of Supervisors of the Esplanade at Wellen Park Community
11 Development District was held on Tuesday, January 13, 2026 at the offices of Taylor
12 Morrison, 551 Cattlemen Road, Suite 200, Sarasota, Florida 34232. It began at 1:15 p.m. and
13 was presided over by Mr. John Wollard, Chairperson, and James P. Ward as Secretary.
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Present and constituting a quorum:

18 John Wollard	Chairperson
19 Ron Schwied	Vice Chairperson
20 Eric van Schaik	Assistant Secretary
21 Adam Dirkhising	Assistant Secretary
22 Brian Hughes	Assistant Secretary

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Also present were:

25 James P. Ward	District Manager
26 Ashley Ligas	District Attorney

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Audience:

29 All residents' names were not included with the minutes. If a resident did not identify
30 themselves or the audio file did not pick up the name, the name was not recorded in
31 these minutes. Portions of these minutes may be transcribed in verbatim.
32

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FIRST ORDER OF BUSINESS

Call to Order/Roll Call

35 Mr. James Ward called the meeting to order at approximately 1:15 p.m. He conducted roll
36 call; all Members of the Board were present, constituting a quorum.
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SECOND ORDER OF BUSINESS

Consideration of Minutes

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41

October 14, 2025 - Regular Meeting

42 Mr. Ward asked if there were any corrections, additions, or deletions for the minutes; hearing
43 none, he called for a motion.
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<p>On MOTION made by John Wollard, seconded by Ron Schweid, and with all in favor, the October 14, 2025 Regular Meeting Minutes were approved.</p>

47 **THIRD ORDER OF BUSINESS** **Consideration of Audit Proposals**

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49 **Consideration of Proposals to provide Audit Services to the District for the Fiscal Years**
50 **2026-2030**

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52 Mr. Ward stated these were done on a qualification and a price basis; there were mandatory
53 elements and technical qualifications. He reported the two bidders were Grau and
54 Associates, as well as Berger, Toombs, Elam, Gaines and Frank. He stated his team rated
55 Grau number one with 30 points and Berger number two with 27 points. He stated from a
56 price perspective Grau came in at \$18,000 dollars and Berger came in at \$18,800 dollars. He
57 said the Board could accept the ranking as it was or change the ranking as it deemed
58 appropriate.

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60 **On MOTION made by John Wollard, seconded by Ron**
61 **Schweid, and with all in favor, Grau & Associates was ranked**
62 **number one.**

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65 **FOURTH ORDER OF BUSINESS** **Staff Reports**

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67 **I. District Attorney**

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69 No report.

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71 **II. District Engineer**

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73 No report.

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75 **III. District Manager**

- 76 a) **Financial Report for the period ending October 31, 2025 (unaudited)**
- 77 b) **Financial Report for the period ending November 30, 2025 (unaudited)**
- 78 c) **Financial Report for the period ending December 31, 2025 (unaudited)**

79
80 No report.

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82 **FIFTH ORDER OF BUSINESS** **Supervisor’s Requests**

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84 Mr. Ward asked if there were any Supervisor’s requests; there were none.

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87 **SIXTH ORDER OF BUSINESS** **Audience Comments**

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89 Mr. Ward noted there were no members of the public present.

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93 **SEVENTH ORDER OF BUSINESS** **Adjournment**

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95 Mr. Ward adjourned the meeting at approximately 1:20 p.m.

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**On MOTION made by John Wollard, seconded by Ron
Schweid, and with all in favor, the meeting was adjourned.**

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Esplanade at Wellen Park Community
Development District

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James P. Ward, Secretary

John Wollard, Chairperson

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DRAFT

RESOLUTION 2026-2

A RESOLUTION OF THE ESPLANADE AT WELLEN PARK COMMUNITY DEVELOPMENT DISTRICT AUTHORIZING THE ISSUANCE OF NOT EXCEEDING \$16,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF ITS CAPITAL IMPROVEMENT REVENUE BONDS, SERIES 2026, THE PROCEEDS OF WHICH WILL BE APPLIED TO FINANCE A PORTION OF THE COST OF A SERIES PROJECT CONSISTING OF CERTAIN PUBLIC INFRASTRUCTURE AND FACILITIES BENEFITING CERTAIN DISTRICT LANDS, PAYING A PORTION OF THE INTEREST COMING DUE ON THE SERIES 2026 BONDS, FUNDING THE APPLICABLE SERIES RESERVE ACCOUNT FOR THE SERIES 2026 BONDS, AND PAYING COSTS OF ISSUANCE OF THE SERIES 2026 BONDS, AS MORE FULLY DESCRIBED HEREIN; REAFFIRMING THE FORM OF MASTER TRUST INDENTURE AND APPROVING THE FORM OF A FIRST SUPPLEMENTAL TRUST INDENTURE IN CONNECTION WITH THE SERIES 2026 BONDS AND AUTHORIZING THE EXECUTION THEREOF; RATIFYING THE APPOINTMENT OF A TRUSTEE, PAYING AGENT AND BOND REGISTRAR FOR THE SERIES 2026 BONDS; PROVIDING FOR REDEMPTION OF THE SERIES 2026 BONDS; AUTHORIZING THE APPLICATION OF THE PROCEEDS OF THE SERIES 2026 BONDS; APPROVING THE FORM, AND AUTHORIZING EXECUTION, OF A BOND PURCHASE CONTRACT PROVIDING FOR THE NEGOTIATED SALE OF THE SERIES 2026 BONDS; DELEGATING TO THE CHAIRPERSON OR VICE-CHAIRPERSON, OR IN THEIR ABSENCE ANY MEMBER OF THE BOARD OF SUPERVISORS, THE AUTHORITY TO AWARD THE SERIES 2026 BONDS WITHIN THE PARAMETERS SPECIFIED HEREIN; APPROVING THE FORM, AND AUTHORIZING THE USE, OF A PRELIMINARY LIMITED OFFERING MEMORANDUM FOR THE SERIES 2026 BONDS; APPROVING THE DISTRIBUTION OF A FINAL LIMITED OFFERING MEMORANDUM FOR THE SERIES 2026 BONDS AND THE EXECUTION THEREOF; APPROVING THE FORM, AND AUTHORIZING EXECUTION, OF A CONTINUING DISCLOSURE AGREEMENT; AUTHORIZING PREPARATION OF PRELIMINARY AND FINAL SUPPLEMENTAL ASSESSMENT METHODOLOGY REPORTS AND A SUPPLEMENT TO THE MASTER ENGINEER'S REPORT AND THE USE OF SUCH REPORTS IN THE PRELIMINARY LIMITED OFFERING MEMORANDUM AND FINAL LIMITED OFFERING MEMORANDUM, AS APPLICABLE, FOR THE SERIES 2026 BONDS; PROVIDING FOR MISCELLANEOUS MATTERS AND AUTHORITY; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE ESPLANADE AT WELLEN PARK COMMUNITY DEVELOPMENT DISTRICT:

SECTION 1. AUTHORITY FOR THIS RESOLUTION; DEFINITIONS. The Board of Supervisors (the "Board") of the Esplanade at Wellen Park Community Development District (the "District" or the "Issuer") is authorized to adopt this Resolution under the authority granted by the provisions of Chapter

190, Florida Statutes, as amended, its Charter (as set forth in the ordinance establishing the District enacted by Sarasota County, Florida) and other applicable provisions of law (collectively, the “Act”). All capitalized terms not otherwise defined herein shall have the meaning ascribed thereto in the form of Master Indenture (hereinafter defined) or First Supplemental Indenture (hereinafter defined).

SECTION 2. FINDINGS.

A. The Issuer is a community development district, a local unit of special purpose government organized and existing under and pursuant to the Act. The Issuer was established for the purpose, among other things, of delivering certain community development services and facilities as authorized by the Act, including planning, financing, constructing, acquiring, owning, operating and maintaining the “Series Projects” and “Additional Series Projects.”

B. The Issuer is empowered by the Act to provide projects such as the Series Projects and Additional Series Projects. Pursuant to Resolution No. 2025-25 adopted by the Board on August 19, 2025 (the “Authorizing Resolution”) the Issuer has found and determined that acquisition and construction of Series Projects and Additional Series Projects is and will be necessary and desirable in serving the Issuer’s goal of properly managing the acquisition, construction, and operation of portions of the infrastructure specially benefiting District Lands. Pursuant to the Authorizing Resolution, the Issuer, among other matters, authorized the issuance of the Issuer’s Capital Improvement Revenue Bonds (the “Bonds”) in an amount not exceeding \$98,365,000 to finance the Cost of Series Projects and Additional Series Projects, approved the form of a master trust indenture (the “Master Indenture”) relating to such Bonds, and authorized the issuance of the Bonds in one or more Series and bond anticipation notes from time to time pursuant to the Master Indenture and a related supplemental indenture to be approved by subsequent resolution of the Board of the Issuer.

C. The Bonds (of which the hereinafter defined Series 2026 Bonds are a part) have been validated by a final judgment of the Circuit Court in and for Sarasota County, Florida and the Series 2026 Bonds will not be issued until the time for taking an appeal from such final judgment has expired without an appeal being taken.

D. The Issuer hereby determines that is now necessary and appropriate, and in the best interests of the District and serves a public purpose, to issue its Capital Improvement Revenue Bonds, Series 2026 (the “Series 2026 Bonds”) in an aggregate principal amount not exceeding \$16,000,000, as a Series of Bonds under the Master Indenture, as supplemented by the First Supplemental Indenture (collectively the “Series 2026 Indenture”). Proceeds of the Series 2026 Bonds will be applied as provided in Section 3.B. below.

E. Due to the present volatility of the market for tax-exempt obligations such as the Series 2026 Bonds and the complexity of the transactions relating to the Series 2026 Bonds, it is in the best interests of the Issuer to sell the Series 2026 Bonds by a delegated, negotiated sale, rather than at a specified advertised date, in order to permit the Issuer to enter the market at

the most advantageous time and to obtain the best possible price and interest rate for the Series 2026 Bonds.

F. The Issuer now desires to authorize the application of the proceeds of the Series 2026 Bonds and to approve various instruments in connection therewith, including the First Supplemental Indenture.

SECTION 3. AUTHORIZATION OF SERIES 2026 PROJECT AND SERIES 2026 BONDS.

A. The Series 2026 Project is hereby authorized and approved and shall constitute a Series Project within the meaning of the Master Indenture. Prior to or contemporaneously with the issuance and delivery of the Series 2026 Bonds, the Issuer and U.S. Bank Trust Company, National Association, as Trustee, shall enter into the Master Indenture, substantially in the form attached to the Authorizing Resolution, the approval of which form pursuant to the Authorizing Resolution is hereby reaffirmed, with such insertions, modifications and changes as may be approved by the District Manager of the Issuer (the “District Manager”), in consultation with the Issuer’s District Counsel and Bond Counsel. Upon such approval, the Chairperson of the Board (the “Chairperson”) or the Vice-Chairperson of the Board (the “Vice-Chairperson”), or in their absence, any member of the Board, is hereby authorized and directed to execute, and the Secretary of the Board (the “Secretary”) or any Assistant Secretary of the Board (each, an “Assistant Secretary”) is hereby authorized and directed to attest, the Master Indenture. Such execution shall constitute conclusive approval of any insertions, modifications or changes to the Master Indenture from the form thereof approved by the Issuer pursuant to the Authorizing Resolution.

The appointment of U.S. Bank Trust Company, National Association as Trustee with respect to the Series 2026 Bonds is hereby ratified, authorized and approved.

B. Subject to the provisions of Section 6 hereof, the Issuer hereby authorizes the issuance of the Series 2026 Bonds in the aggregate principal amount of not exceeding \$16,000,000 to be known as the “Esplanade at Wellen Park Community Development District Capital Improvement Revenue Bonds, Series 2026.” Proceeds of the Series 2026 Bonds will be applied, together with other available funds, to (i) finance the construction, acquisition, equipping and/or improvement of a portion of the Series 2026 Project; (ii) pay Capitalized Interest on the Series 2026 Bonds; (iii) fund the account in the Reserve Fund for the Series 2026 Bonds; and (iv) pay costs of issuance of the Series 2026 Bonds. Proceeds of the Series 2026 Bonds to be applied to pay Costs of the Series 2026 Project may include payment for any portions of the Series 2026 Project acquired by the Issuer prior to the date of issuance of the Series 2026 Bonds but for which the acquisition price has not yet been paid.

The Series 2026 Bonds shall be issued as a Series of Bonds for purposes of the Series 2026 Indenture (hereinafter defined).

Prior to or contemporaneously with the issuance and delivery of the Series 2026 Bonds, the Issuer and the Trustee shall enter into the First Supplemental Trust Indenture relating to the Series 2026 Bonds, supplementing the Master Indenture (the “First Supplemental Indenture”). The First Supplemental Indenture shall be substantially in the form attached hereto as Exhibit A, with such insertions, modifications and changes as may be approved by the District Manager, in consultation with the Issuer’s District Counsel and Bond Counsel. Upon such approval, the Chairperson or the Vice-Chairperson, or in their absence, any member of the Board, is hereby authorized and directed to execute, and the Secretary or any Assistant Secretary of the Board is hereby authorized and directed to attest, the First Supplemental Indenture. Such execution shall constitute conclusive approval of any insertions, modifications or changes to the First Supplemental Indenture from the form thereof approved by the Issuer. The Master Indenture and the First Supplemental Indenture are sometimes referred to collectively as the “Series 2026 Indenture.”

Prior to the issuance of the Series 2026 Bonds the Issuer shall comply with the conditions precedent to the issuance of the Series 2026 Bonds set forth in the Series 2026 Indenture. The Series 2026 Bonds shall be substantially in the form thereof attached as an exhibit to the First Supplemental Indenture and shall be executed on behalf of the Issuer in the manner provided in the Series 2026 Indenture. Upon satisfaction of the conditions precedent to the issuance of the Series 2026 Bonds set forth in the Series 2026 Indenture, the Chairperson or Vice-Chairperson, or in their absence, any member of the Board, is hereby authorized and directed to execute, and the Secretary or an Assistant Secretary is hereby authorized and directed to attest, the Series 2026 Bonds and to deliver the Series 2026 Bonds as provided in the Series 2026 Indenture.

The Series 2026 Bonds shall be issued in fully registered form, without coupons. The Series 2026 Bonds will be dated their date of delivery or such other date as is set forth in the First Supplemental Indenture and will be issued in the Authorized Denominations set forth in the Series 2026 Indenture. The Series 2026 Bonds will bear interest payable semi-annually on November 1 and May 1 of each year, commencing on such date as set forth in the First Supplemental Indenture. Subject to the provisions of Section 6 hereof, the Series 2026 Bonds shall mature, and shall bear interest at a rate per annum, which shall not exceed the maximum rate permitted by law, as shall be specified in the First Supplemental Indenture. A book-entry-only system of registration is hereby authorized for the Series 2026 Bonds.

SECTION 4. REDEMPTION PROVISIONS. Subject to the provisions of Section 6 hereof, the Series 2026 Bonds shall be subject to optional redemption, mandatory redemption and extraordinary redemption, as shall be provided in the Series 2026 Indenture. The Series 2026 Bonds shall be issued as Term Bonds and the principal amounts required to be deposited in each year to the Series 2026 Sinking Fund Account established for the Series 2026 Bonds in the Series 2026 Indenture shall be as specified in the Series 2026 Indenture and shall constitute the Amortization Installments for the Series 2026 Bonds, as more fully set forth in the Series 2026 Indenture.

SECTION 5. APPLICATION OF THE PROCEEDS OF THE SERIES 2026 BONDS. The proceeds derived from the sale of the Series 2026 Bonds shall be applied by the Issuer simultaneously with the delivery of the Series 2026 Bonds for the purposes stated in, and in a manner consistent with, the Series 2026 Indenture. The specific amounts to be deposited in the Series 2026 Pledged Funds established under the Series 2026 Indenture shall be as set forth in the First Supplemental Indenture or a certificate executed by the Chairperson or Vice-Chairperson and delivered at the time of issuance of the Series 2026 Bonds.

SECTION 6. SALE OF THE SERIES 2026 BONDS. The Series 2026 Bonds shall be sold to MBS Capital Markets, LLC, as the underwriter (the “Underwriter”), upon the terms and conditions set forth in the Bond Purchase Contract attached hereto as Exhibit B (the “Bond Purchase Contract”). Said Bond Purchase Contract, substantially in the form attached hereto, is hereby approved, with such insertions, modifications and changes as may be approved by the District Manager, in consultation with the Issuer’s District Counsel and Bond Counsel. Upon such approval, the Chairperson or Vice-Chairperson, or in their absence, any member of the Board, is hereby authorized and directed to execute, and the Secretary or an Assistant Secretary is hereby authorized and directed to attest, the Bond Purchase Contract and to accept the disclosure and truth-in-bonding statement to be provided by the Underwriter pursuant to Section 218.385, Florida Statutes; provided, however that the terms of such Bond Purchase Contract must provide that (i) the aggregate principal amount of the Series 2026 Bonds shall not exceed \$16,000,000; (ii) the final maturity of the Series 2026 Bonds shall not be later than May 1, 2057; (iii) the per annum interest rate of the Series 2026 Bonds shall not exceed the maximum rate per annum permitted by applicable law; (iv) the Series 2026 Bonds shall be subject to optional redemption no later than May 1, 2037 at a redemption price not greater than 101% of the principal amount of the Series 2026 Bonds to be redeemed; (v) the price (exclusive of original issue discount) at which the Series 2026 Bonds shall be sold to the Underwriter shall not be less than 98% of the amount for which such Series 2026 Bonds are initially offered to the public as reflected in the Limited Offering Memorandum referred to in Section 7 hereof; and (vi) unless the Series 2026 Bonds have an investment grade rating, such Series 2026 Bonds shall only be sold by the Underwriter to accredited investors within the meaning of the rules of the Florida Department of Financial Services. The execution and delivery of the Bond Purchase Contract by the Chairperson or Vice-Chairperson shall constitute conclusive evidence of the approval by the Issuer thereof.

SECTION 7. PRELIMINARY LIMITED OFFERING MEMORANDUM AND FINAL LIMITED OFFERING MEMORANDUM. The Preliminary Limited Offering Memorandum relating to the Series 2026 Bonds, in substantially the form submitted at this meeting and attached hereto as Exhibit C, is hereby approved with respect to the information therein contained, with such insertions, modifications and changes as may be approved by the District Manager, in consultation with the Issuer’s District Counsel and Bond Counsel. The printing, distribution and use of the Preliminary Limited Offering Memorandum in connection with the limited public offering for sale of the Series 2026 Bonds are hereby authorized. The execution by the Chairperson or Vice-Chairperson, or in their absence any member of the Board, of a certificate

deeming the Preliminary Limited Offering Memorandum final within the meaning of Rule 15c2-12 of the Securities Exchange Act of 1934, as amended, is hereby authorized. The Chairperson or Vice-Chairperson, or in their absence any member of the Board, is hereby authorized to have prepared and to execute a final Limited Offering Memorandum to be dated the date of execution of the Bond Purchase Contract, and, upon such execution, to deliver the same to the Underwriter for use by it in connection with the sale and distribution of the Series 2026 Bonds. The Limited Offering Memorandum shall be substantially in the form of the Preliminary Limited Offering Memorandum, with such changes as necessary to conform the details of the Series 2026 Bonds and the requirements of the Bond Purchase Contract and such other insertions, modifications and changes as may be approved by the District Manager. The execution and delivery of the Limited Offering Memorandum by the Chairperson or Vice-Chairperson, or in their absence any member of the Board, shall constitute conclusive evidence of the approval thereof. The Issuer hereby authorizes the Limited Offering Memorandum and the information contained therein to be used in connection with the offering and sale of the Series 2026 Bonds.

SECTION 8. CONTINUING DISCLOSURE. The Continuing Disclosure Agreement, substantially in the form attached hereto as Exhibit D, is hereby approved with such insertions, modifications and deletions as may be approved by the District Manager. Disclosure Services, LLC is hereby approved to serve as the initial Dissemination Agent thereunder. The Chairperson or Vice-Chairperson is hereby authorized to execute the Continuing Disclosure Agreement. The execution and delivery of the Continuing Disclosure Agreement by the Chairperson or Vice-Chairperson, or in their absence any member of the Board, shall constitute conclusive evidence of the approval thereof.

SECTION 9. MATTERS RELATING TO SUPPLEMENTAL ASSESSMENT REPORTS AND ENGINEERS' REPORT. The preparation of preliminary and final assessment reports reflecting the preliminary and final financing structure of the Series 2026 Bonds and the related Assessments and supplementing the master special assessment report previously approved by the Issuer pursuant to the Assessment Resolution is hereby authorized. The use in the Preliminary Limited Offering Memorandum and Limited Offering Memorandum, respectively, of such supplemental reports, as applicable, is hereby authorized. The preparation of a supplement (the "2026 Supplemental Engineer's Report") to the Master Engineers' Report previously approved by the Issuer is hereby authorized. The use in the Preliminary Limited Offering Memorandum and Limited Offering Memorandum of the Master Engineers' Report and the 2026 Supplemental Engineer's Report, if any, is hereby authorized.

SECTION 10. MISCELLANEOUS. The Chairperson, Vice-Chairperson, Secretary and any Assistant Secretary of the Board, the Issuer's District Counsel, Bond Counsel, District Manager, Consulting Engineers, special assessment consultant and other authorized officers of the Issuer and members of the Board are authorized and directed to execute and deliver all documents, contracts, instruments and certificates and to take all actions and steps on behalf of the Issuer that are necessary or desirable in connection with the Series 2026 Indenture, the Series 2026 Bonds, the Bond Purchase Contract, the Series 2026 Project, the Preliminary Limited Offering

Memorandum, the Limited Offering Memorandum or otherwise in connection with any of the foregoing, which are not inconsistent with the terms and provisions of this Resolution or the Indenture, including the execution and delivery of a customary dissemination agent agreement, and the execution and delivery of the agreements in addition to the Continuing Disclosure Agreement, referenced in the final version of the First Supplemental Indenture, and all such actions heretofore taken are hereby ratified and approved.

SECTION 11. SEVERABILITY. Should any sentence, section, clause, part or provision of this Resolution be declared by a court of competent jurisdiction to be invalid, the same shall not affect the validity of this Resolution as a whole, or any part thereof, other than the part declared invalid.

SECTION 12. EFFECTIVE DATE. This Resolution shall be effective immediately upon its adoption.

PASSED AND ADOPTED at a meeting of the Board of Supervisors of the Esplanade at Wellen Park Community Development District this 12th day of February, 2026.

**ESPLANADE AT WELLEN PARK
COMMUNITY DEVELOPMENT DISTRICT**

[SEAL]

Chairperson

ATTEST:

District Secretary

EXHIBIT A

FORM OF FIRST SUPPLEMENTAL INDENTURE

DRAFT #4

FIRST SUPPLEMENTAL TRUST INDENTURE

**ESPLANADE AT WELLEN PARK
COMMUNITY DEVELOPMENT DISTRICT**

TO

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

Dated as of

March 1, 2026

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

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FIRST SUPPLEMENTAL TRUST INDENTURE

THIS FIRST SUPPLEMENTAL TRUST INDENTURE (the "First Supplemental Indenture") is dated as of March 1, 2026, from **ESPLANADE AT WELLEN PARK COMMUNITY DEVELOPMENT DISTRICT** (the "District") to **U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION**, as trustee (the "Trustee"), a national banking association duly organized and existing under the laws of the United States of America and having corporate trust offices in Fort Lauderdale, Florida (said national banking association and any bank or trust company becoming successor trustee under this First Supplemental Indenture being hereinafter referred to as the "Trustee").

WHEREAS, the District has entered into a Master Trust Indenture dated as of March 1, 2026 (the "Master Indenture," and together with this First Supplemental Indenture, the "Indenture") with the Trustee to secure the issuance of its Esplanade at Wellen Park Community Development District Capital Improvement Revenue Bonds (the "Bonds"), issuable in one or more Series from time to time; and

WHEREAS, pursuant to Resolution 2025-25 (the "Bond Resolution") adopted by the Governing Body of the District on August 19, 2025, the District has authorized the issuance, sale and delivery of not to exceed \$98,365,000 of Bonds (excluding Bonds issued to refund such Bonds), to be issued in one or more Series of Bonds as authorized under the Master Indenture, which Bonds were validated by final judgment of the Circuit Court of Sarasota County, Florida rendered on November 6, 2025, the appeal period for which has expired with no appeal having been taken; and

WHEREAS, the Governing Body of the District duly adopted Resolution 2025-24 on August 19, 2025 providing for the acquisition, construction and installation of public assessable capital improvements (the "Capital Improvement Program"), providing estimated Costs of the Capital Improvement Program, defining assessable property to be benefited by the Capital Improvement Program, defining the portion of the Costs of the Capital Improvement Program with respect to which Assessments will be imposed and the manner in which such Assessments shall be levied against such benefited property within the District, directing the preparation of an assessment roll, and stating the intent of the District to issue Bonds of the District secured by such Assessments to finance the costs of the acquisition, construction and installation of the Capital Improvement Program and the Governing Body of the District duly adopted Resolution 2026-1 on October 14, 2025, following a public hearing conducted in accordance with the Act, to fix and establish the Assessments and the benefited property with respect to the Series 2026 Bonds (hereinafter defined) (collectively, the "Assessment Resolution"); and

WHEREAS, pursuant to Resolution 2026-2 adopted by the Governing Body of the District on February 12, 2026 (the "Award Resolution"), the District has authorized the issuance, sale and delivery of, *inter alia*, its \$[_____] Esplanade at Wellen Park Community Development District Capital Improvement Revenue Bonds, Series 2026 (the "Series 2026 Bonds"), which are issued hereunder as a Series of Bonds; and

WHEREAS, pursuant to the Award Resolution, the Issuer has authorized the execution and delivery of the Master Indenture and authorized the execution and delivery of this First

Supplemental Indenture to secure the issuance of the Series 2026 Bonds and to set forth the terms of the Series 2026 Bonds; and

WHEREAS, the District will apply the proceeds of the Series 2026 Bonds to: (i) finance a portion of the Cost of acquiring, constructing and equipping public assessable infrastructure and public improvements comprising a portion of the District's Capital Improvement Program (such portion of the Capital Improvement Program more particularly described in Exhibit A hereto and being referred to herein as the "Series 2026 Project"); (ii) pay certain costs associated with the issuance of the Series 2026 Bonds; (iii) make a deposit into the Series 2026 Reserve Account, which Account shall be held for the benefit of all of the Series 2026 Bonds, without privilege or priority of one Series 2026 Bond over another; and (iv) pay a portion of the interest to become due on the Series 2026 Bonds on the dates provided for herein; and

WHEREAS, the Series 2026 Bonds will be payable from and secured by revenues derived from Assessments imposed, levied and collected by the District with respect to property specially benefited by the Series 2026 Project and described in the Assessment Resolution (as more fully defined herein, the "Series 2026 Assessments"), which, together with the Series 2026 Pledged Funds (hereinafter defined) will comprise the Series 2026 Trust Estate (hereinafter defined), which shall constitute a "Trust Estate" as defined in the Master Indenture with respect to the Series 2026 Bonds; and

WHEREAS, the execution and delivery of the Series 2026 Bonds and of this First Supplemental Indenture have been duly authorized by the Governing Body of the District and all things necessary to make the Series 2026 Bonds, when executed by the District and authenticated by the Trustee, valid and binding legal obligations of the District and to make this First Supplemental Indenture a valid and binding agreement and, together with the Master Indenture, a valid and binding lien on the Series 2026 Trust Estate 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 2026 Bonds by the purchaser or purchasers thereof, and other good and valuable consideration, receipt and sufficiency of which are hereby acknowledged, and in order to further secure the payment of the principal and Redemption Price of, and interest on, all Series 2026 Bonds Outstanding (as defined in the Master Indenture) from time to time, according to their tenor and effect, and such other payments required to be made under the Master Indenture or hereunder and 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 2026 Bonds: (a) has executed and delivered this First Supplemental Indenture and (b) does hereby, in confirmation of the Master Indenture, grant, bargain, sell, convey, transfer, assign and pledge unto the Trustee, and unto its successors in the trusts established under the Master Indenture, and to them and their successors and assigns forever, all right, title and interest of the District, in, to and under, subject to the terms and conditions of the Master Indenture and the provisions of the Master Indenture pertaining to the application thereof for or to the purposes and on the terms set forth in the Master Indenture, the Series 2026 Pledged Revenues (hereinafter defined) and the Series 2026

Pledged Funds (hereinafter defined), which shall comprise the Trust Estate securing the Series 2026 Bonds (the "Series 2026 Trust Estate");

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

IN TRUST NEVERTHELESS, upon the terms and trusts in the Indenture set forth for the equal and proportionate benefit, security and protection of all and singular the present and future Owners of the Series 2026 Bonds issued or to be issued under and secured by this First Supplemental Indenture, without preference, priority or distinction as to lien or otherwise, of any one Series 2026 Bond over any other Series 2026 Bond by reason of priority in their issue, sale or execution;

PROVIDED FURTHER HOWEVER, that if the District, its successors or assigns, shall well and truly pay, or cause to be paid, or make due provision for the payment of the principal and Redemption Price of the Series 2026 Bonds or any Series 2026 Bond of a particular maturity issued, 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 2026 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 provisions 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 2026 Bonds or any Series 2026 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 2026 Bonds issued and secured hereunder are to be issued, authenticated and delivered and all of the rights and property pledged to the payment thereof are to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, 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 2026 Bonds, as follows:

ARTICLE I DEFINITIONS

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

the context clearly requires otherwise, the following terms used herein shall have the following meanings:

"Acquisition Agreement" shall mean the Acquisition Agreement dated [____], 20[___] as same may be amended and supplemented, between the District and the Developer.

"Assessment Methodology" shall mean the Master Special Assessment Methodology dated July 8, 2025 prepared by JP Ward and Associates LLC, as supplemented by the First Supplemental Special Assessment Methodology – Series 2026 Bonds dated [____], 2026 relating to the Series 2026 Bonds.

"Assessment Proceedings" shall mean the proceedings of the District with respect to the establishment, levy and collection of the Assessments of which the Series 2026 Assessments are a part, which include the Assessment Resolution, as supplemented in connection with the Series 2026 Assessments, and any supplemental proceedings undertaken by the District with respect to the Series 2026 Assessments and the Assessment Methodology as approved thereby.

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

"Bond Participants" shall mean those broker-dealers, banks and other financial institutions from time to time for which the Bond Depository holds Series 2026 Bonds as securities depository.

"Capital Improvement Program" shall mean the program of assessable public capital improvements established by the District in the Assessment Proceedings, a portion of which is comprised of the Series 2026 Project.

"Collateral Assignment" shall mean the Collateral Assignment Agreement (2026 Bonds) dated March [____], 2026 by the Developer in favor of the District relating to the Series 2026 Bonds.

"Completion Agreement" shall mean the Completion Agreement (2026 Bonds) dated March [____], 2026 between the District and the Developer relating to the Series 2026 Bonds.

"Continuing Disclosure Agreement" shall mean the Continuing Disclosure Agreement dated March [____], 2026 among the Developer, the District and the other parties named therein in connection with the Series 2026 Bonds.

"Declaration of Consent" shall mean the Declaration of Consent Esplanade at Wellen Park Community Development District (2026 Bonds) dated March [____], 2026 relating to the Series 2026 Bonds executed and delivered by the Developer.

"Delinquent Series 2026 Assessment Interest" shall mean Series 2026 Assessment Interest deposited by the District with the Trustee on or after May 1 of the year in which such Series 2026 Assessment Interest has, or would have, become delinquent under State law applicable thereto.

"Delinquent Series 2026 Assessment Principal" shall mean Series 2026 Assessment Principal deposited by the District with the Trustee on or after May 1 of the year in which such

Series 2026 Assessment Principal has, or would have, become delinquent under State law applicable thereto.

"Delinquent Series 2026 Assessments" shall mean Delinquent Series 2026 Assessment Principal and Delinquent Series 2026 Assessment Interest.

"Developer" shall mean Taylor Morrison of Florida, Inc., a Florida corporation, and any affiliate or any entity which succeeds to all or any part of the interests and assumes any or all responsibilities of such entity, as the developer of the lands within the District.

"DTC" shall mean The Depository Trust Company, New York, New York.

"First Release Certification" shall mean, with respect to the Series 2026 Reserve Account and the First Release Conditions, the written certification from an Authorized Officer of the District to the Trustee certifying that the events set forth in clauses (i) and (ii) of the definition of "First Release Conditions" have occurred and affirming clause (iii) of such definition, on which certifications the Trustee may conclusively rely.

"First Release Conditions" shall mean, collectively, that (i) all lots subject to Series 2026 Assessments have been developed and platted, (ii) all Series 2026 Assessments are being collected pursuant to the Uniform Method, and (iii) there are no Events of Default occurring or continuing under the Indenture with respect to the Series 2026 Bonds. Upon satisfaction of the First Release Conditions, the District shall cause to be delivered to the Trustee the First Release Certification, on which the Trustee may conclusively rely, that the First Release Conditions have been met and further directing the Trustee to transfer any excess funds on deposit in the Series 2026 Reserve Account as a result thereof as provided in Section 405 hereof.

"Government Obligations" shall mean direct obligations of, or obligations the timely payment of principal of and interest on which are unconditionally guaranteed by, the United States of America.

"Interest Payment Date" shall mean each May 1 and November 1, commencing May 1, 2026.

"Majority Owners" as used herein shall mean the Beneficial Owners of more than fifty percent (50%) of the principal amount of the Outstanding Series 2026 Bonds.

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

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

"Second Release Certification" shall mean, with respect to the Series 2026 Reserve Account and the Second Release Conditions, the written certification from an Authorized Officer of the District to the Trustee certifying that the events set forth in clauses (i), (ii) and (iii) of the definition of "Second Release Conditions" have occurred and affirming clause (iv) of such definition, on which certifications the Trustee may conclusively rely.

"Second Release Conditions" shall mean, collectively, that (i) all of the First Release Conditions have been satisfied, (ii) all lots subject to the Series 2026 Assessments have had homes constructed thereon, which have each received a certificate of occupancy, (iii) all of the Series 2026 Assessment Principal has been assigned to the lots referenced in subsection (ii), and (iv) there are no Events of Default occurring or continuing under the Indenture with respect to the Series 2026 Bonds. Upon satisfaction of the Second Release Conditions, the District shall cause to be delivered to the Trustee the Second Release Certification, on which the Trustee may conclusively rely, that the Second Release Conditions have been met and further directing the Trustee to transfer any excess funds on deposit in the Series 2026 Reserve Account as a result thereof as provided in Section 405 hereof.

"Series 2026 Assessment Interest" shall mean the interest on the Series 2026 Assessments which is pledged to the Series 2026 Bonds.

"Series 2026 Assessment Principal" shall mean the principal amount of Series 2026 Assessments received by the District which represents a proportionate amount of the principal of and Amortization Installments of the Series 2026 Bonds, other than applicable Delinquent Series 2026 Assessment Principal and Series 2026 Prepayments.

"Series 2026 Assessment Revenues" shall mean all revenues derived by the District from the Series 2026 Assessments, including proceeds from any foreclosure of the lien of Delinquent Series 2026 Assessments, and any statutory interest on the Delinquent Series 2026 Assessments collected by the District in excess of the rate of interest on the Series 2026 Bonds.

"Series 2026 Assessments" shall mean the Assessments imposed, levied and collected by the District in respect of the Series 2026 Bonds, which correspond in amount to the Debt Service on the Series 2026 Bonds.

"Series 2026 Bonds" shall mean the \$[_____] aggregate principal amount of Esplanade at Wellen Park Community Development District Capital Improvement Revenue Bonds, Series 2026 to be issued as fully registered Bonds in accordance with the provisions of the Master Indenture and this First Supplemental Indenture, and secured and authorized by the Master Indenture and this First Supplemental Indenture.

"Series 2026 Investment Obligations" shall mean and includes any of the following securities, if and to the extent that such securities are legal investments for funds of the District;

- (i) Government Obligations;
- (ii) commercial paper rated in the top two rating categories by both Moody's and S&P at the time of purchase;
- (iii) municipal securities issued by any state or commonwealth of the United States or political subdivision thereof or constituted authority thereof including, but not limited to, municipal corporations, school districts and other special districts, the interest on which is exempt from federal income taxation under Section 103 of the Code and rated A- or higher by Moody's, Fitch or S&P at the time of purchase;

(iv) both (A) shares of a diversified open-end management investment company (as defined in the Investment Company Act of 1940) or a regulated investment company (as defined in Section 851(a) of the Code) that is a money market fund that is rated in the highest rating category for such funds by Moody's and S&P, and (B) shares of money market mutual funds that invest only in Government Obligations and obligations of any of the following agencies: Government National Mortgage Association (including participation certificates issued by such association); Fannie Mae (including participation certificates issued by such entity); Federal Home Loan Banks; Federal Farm Credit Bank; Tennessee Valley Authority; Farmers Home Administration; Student Loan Marketing Association; Federal Home Loan Mortgage Corporation and repurchase agreements secured by such obligations, which funds are rated in the highest categories for such funds by both Moody's and S&P at the time of purchase;

(v) bonds, notes and other debt obligations of any corporation organized under the laws of the United States, any state or organized territory of the United States or the District of Columbia, if such obligations are, at the time of purchase, rated "A-" or better by at least two (2) of the following rating agencies: Moody's, S&P or Fitch or "AA-" or better by either S&P or Fitch or "Aa-" or better by Moody's;

(vi) the Local Government Surplus Funds Trust Fund as described in Florida Statutes, Section 218.405 or the corresponding provisions of subsequent laws provided that such fund, at the time of purchase, is rated at least "AA" by S&P (without regard to gradation) or at least "Aa" by Moody's (without regard to gradation); and

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

The Trustee may conclusively rely that any investment directed by the District is permitted hereunder and is a legal investment for funds of the District.

"Series 2026 Pledged Funds" shall mean all of the Funds and Accounts created hereby with the Trustee, including the Subaccounts therein, other than the Series 2026 Rebate Account in the Rebate Fund.

"Series 2026 Pledged Revenues" shall mean the Series 2026 Assessment Revenues.

"Series 2026 Prepayments" shall mean the excess amount of Series 2026 Assessment Principal received by the District over the Series 2026 Assessment Principal included within a Series 2026 Assessment, whether or not mandated to be prepaid in accordance with the Assessment Proceedings, which shall be identified by the District to the Trustee as such in writing upon deposit. Anything herein or in the Master Indenture to the contrary notwithstanding, the term Series 2026 Prepayments shall not mean the proceeds of any Refunding Bonds or other borrowing of the District.

"Series 2026 Reserve Account Requirement" shall mean, until such time as the First Release Conditions have been met, an amount equal to fifty percent (50%) of the Maximum Annual Debt Service Requirement for all Outstanding Series 2026 Bonds (as hereinafter

determined) as of the time of any such calculation. Upon receipt by the Trustee of the First Release Certification and thereafter or until such time as the Second Release Conditions have been met, the Series 2026 Reserve Account Requirement shall mean an amount equal to twenty-five percent (25%) of the Maximum Annual Debt Service Requirement for all Outstanding Series 2026 Bonds (as hereinafter determined) as of the time of any such calculation. Upon receipt by the Trustee of the Second Release Certification and thereafter, the Series 2026 Reserve Account Requirement shall mean an amount equal to ten percent (10%) of the Maximum Annual Debt Service Requirement for all Outstanding Series 2026 Bonds (as hereinafter determined) as of the time of any such calculation. For purposes of the foregoing calculations, the determination of the "Outstanding Series 2026 Bonds" shall take into account any redemptions of Series 2026 Bonds to be made on the next succeeding redemption date immediately following the calculation date. Excess amounts on deposit in the Series 2026 Reserve Account as a result of the First Release Conditions and Second Release Conditions, respectively, having been met, if and when applicable, shall be transferred in accordance with Section 405 hereof. Upon the initial issuance of the Series 2026 Bonds, the Series 2026 Reserve Account Requirement is \$[_____], which is equal to fifty percent (50%) of the Maximum Annual Debt Service Requirement for the Outstanding Series 2026 Bonds calculated as of the date of original issuance thereof and which does not exceed the least of (a) 125% of the average annual Debt Service for all Outstanding Series 2026 Bonds calculated as of the date of original issuance thereof, (b) 10% of the aggregate net proceeds of the Series 2026 Bonds calculated as of the date of original issuance thereof, or (c) the Maximum Annual Debt Service Requirement for the Outstanding Series 2026 Bonds calculated as of the date of original issuance thereof.

"Substantially Absorbed" shall mean at least ninety (90%) of the principal portion of the Series 2026 Assessments have been assigned to residential units within the District that have each received a certificate of occupancy.

"True-Up Agreement" shall mean the True-Up Agreement (2026 Bonds) dated March [___], 2026 between the District and the Developer relating to the Series 2026 Assessments.

ARTICLE II

AUTHORIZATION, ISSUANCE AND PROVISIONS OF SERIES 2026 BONDS

Section 201. Authorization of Series 2026 Bonds; Book-Entry Only Form. The Series 2026 Bonds are hereby authorized to be issued for the purposes enumerated in the recitals hereto to be designated "\$[_____] Esplanade at Wellen Park Community Development District Capital Improvement Revenue Bonds, Series 2026." The Series 2026 Bonds shall be substantially in the form set forth as Exhibit B to this First Supplemental Indenture. Each Series 2026 Bond shall bear the designation "2026" and shall be numbered consecutively from R-1 upwards.

The Series 2026 Bonds shall be initially issued in the form of a separate single certificated fully registered Series 2026 Bond for each maturity thereof. Upon initial issuance, the ownership of each such Series 2026 Bond shall be registered in the registration books kept by the Bond Registrar in the name of Cede & Co., as Nominee of DTC, the initial Bond Depository. Except as provided in this Section 201, all of the Outstanding Series 2026 Bonds shall be registered in the registration books kept by the Bond Registrar in the name of Cede & Co., as Nominee of DTC.

With respect to Series 2026 Bonds registered in the registration books kept by the Bond Registrar in the name of Cede & Co., as Nominee of DTC, the District, the Trustee, the Bond Registrar and the Paying Agent shall have no responsibility or obligation to any such Bond Participant or to any indirect Bond Participant. Without limiting the immediately preceding sentence, the District, the Trustee, the Bond Registrar and the Paying Agent shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any Bond Participant with respect to any ownership interest in the Series 2026 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 2026 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 2026 Bonds. The District, the Trustee, the Bond Registrar and the Paying Agent shall treat and consider the person in whose name each Series 2026 Bond is registered in the registration books kept by the Bond Registrar as the absolute Owner of such Series 2026 Bond for the purpose of payment of principal, premium and interest with respect to such Series 2026 Bond, for the purpose of giving notices of redemption and other matters with respect to such Series 2026 Bond, for the purpose of registering transfers with respect to such Series 2026 Bond, and for all other purposes whatsoever. The Paying Agent shall pay all principal of, premium, if any, and interest on the Series 2026 Bonds only to or upon the order of the respective Owners, as shown in the registration books kept by the Bond Registrar, or their respective attorneys duly authorized in writing, as provided herein and all such payments shall be valid and effective to fully satisfy and discharge the District's obligations with respect to payment of principal of, premium, if any, and interest on the Series 2026 Bonds to the extent of the sum or sums so paid. No person other than an Owner, as shown in the registration books kept by the Bond Registrar, shall receive a certificated Series 2026 Bond evidencing the obligation of the District to make payments of principal, premium, if any, and interest pursuant to the provisions hereof. Upon delivery by DTC to the District of written notice to the effect that DTC has determined to substitute a new Nominee in place of Cede & Co., and subject to the provisions herein with respect to Record Dates, the words "Cede & Co." in this 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 2026 Bonds be registered in the registration books kept by the Bond Registrar in the name of Cede & Co., as Nominee of DTC, is not in the best interest of the Beneficial Owners of the Series 2026 Bonds or (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 2026 Bonds shall no longer be restricted to being registered in the registration books kept by the Bond Registrar in the name of Cede & Co., as Nominee of DTC, but may be registered in whatever name or names Owners transferring or exchanging the Series 2026 Bonds shall designate, in accordance with the provisions hereof.

While the Series 2026 Bonds are held in a book entry system of registration, presentation for payment shall not be required.

Section 202. Terms. The Series 2026 Bonds shall be issued as [____] ([____]) Term Bonds, each of which shall be dated as of the date of its issuance and delivery to the initial purchaser thereof, shall bear interest at the fixed interest rates per annum and shall mature in the amounts and on the dates, and shall have the initial CUSIP numbers, set forth below:

<u>Principal Amount</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Initial CUSIP</u>
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Section 203. Dating and Interest Accrual. Each Series 2026 Bond shall be dated March [____], 2026. Each Series 2026 Bond also shall bear its date of authentication. Each Series 2026 Bond shall bear interest from the Interest Payment Date to which interest has been paid next preceding the date of its authentication, unless the date of its authentication: (i) is an Interest Payment Date to which interest on such Series 2026 Bond has been paid, in which event such Series 2026 Bond shall bear interest from its date of authentication; or (ii) is prior to the first Interest Payment Date for the Series 2026 Bonds, in which event, such Series 2026 Bond shall bear interest from its date. Interest on the Series 2026 Bonds shall be due and payable on each May 1 and November 1, commencing May 1, 2026, and shall be computed on the basis of a 360-day year composed of twelve 30-day months.

Section 204. Denominations. The Series 2026 Bonds shall be issued in denominations of \$5,000 or any integral multiple thereof; provided, however, that the Series 2026 Bonds shall be delivered to the initial purchasers thereof in minimum aggregate principal amounts of \$100,000 or integral multiples of \$5,000 in excess of \$100,000.

Section 205. Paying Agent. The District appoints the Trustee as Paying Agent for the Series 2026 Bonds.

Section 206. Bond Registrar. The District appoints the Trustee as Bond Registrar for the Series 2026 Bonds.

Section 207. Conditions Precedent to Issuance of Series 2026 Bonds. In addition to complying with the requirements set forth in the Master Indenture in connection with the issuance of the Series 2026 Bonds, all the Series 2026 Bonds shall be executed by the District for delivery to the Trustee and thereupon shall be authenticated by the Trustee and delivered to the District or upon its order, but only upon the further receipt by the Trustee of the following, notwithstanding anything to the contrary in the Master Indenture:

- (a) Certified copies of the Assessment Proceedings;
- (b) Executed copies of the Master Indenture and this First Supplemental Indenture;
- (c) A customary Bond Counsel opinion;

(d) An opinion of District Counsel in substantially the form set forth in the bond purchase agreement relating to the Series 2026 Bonds between the District and the underwriter of the Series 2026 Bonds, as the initial purchaser thereof (the "Underwriter");

(e) A certificate of an Authorized Officer to the effect that, upon the authentication and delivery of the Series 2026 Bonds, the District will not be in default in the performance of the terms and provisions of the Master Indenture or this First Supplemental Indenture;

(f) An Engineers' Certificate or Engineers' Certificates as required by Bond Counsel;

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

(h) An executed Continuing Disclosure Agreement; and

(i) An executed Collateral Assignment, executed Completion Agreement, executed Acquisition Agreement, executed True-Up Agreement and executed Declaration of Consent.

Payment to the Trustee of \$[_____], representing the net proceeds of the sale of the Series 2026 Bonds, shall conclusively evidence that the foregoing conditions precedent have been met to the satisfaction of the District and the Underwriter.

ARTICLE III REDEMPTION OF SERIES 2026 BONDS

Section 301. Bonds Subject to Redemption. The Series 2026 Bonds are subject to redemption prior to maturity as provided in the form thereof set forth as Exhibit B to this First Supplemental Indenture. Interest on Series 2026 Bonds which are called for redemption shall be paid on the applicable redemption date from the Series 2026 Interest Account or from the Series 2026 Revenue Account to the extent monies in the Series 2026 Interest Account are insufficient for such purpose. Moneys in the Series 2026 Optional Redemption Subaccount in the Series 2026 Redemption Account shall be applied in accordance with Section 506 of the Master Indenture to the optional redemption of Series 2026 Bonds.

Section 302. Redemption from Excess Acquisition and Construction Account Proceeds. Excess moneys on deposit in the Series 2026 Acquisition and Construction Account which are to be deposited into the Series 2026 Prepayment Subaccount in accordance with Section 403(a) hereof shall be deposited into the Series 2026 Prepayment Subaccount and applied to the extraordinary mandatory redemption of Series 2026 Bonds in accordance with the written directions of an Authorized Officer of the District.

ARTICLE IV DEPOSIT OF SERIES 2026 BOND PROCEEDS AND APPLICATION THEREOF; ESTABLISHMENT OF ACCOUNTS AND OPERATION THEREOF

Section 401. Establishment of Accounts. There are hereby established the following Accounts.

(a) There are hereby established within the Acquisition and Construction Fund held by the Trustee: (i) a Series 2026 Acquisition and Construction Account and (ii) a Series 2026 Costs of Issuance Account;

(b) There are hereby established within the Debt Service Fund held by the Trustee: (i) a Series 2026 Debt Service Account and therein a Series 2026 Sinking Fund Account, a Series 2026 Interest Account and a Series 2026 Capitalized Interest Account; and (ii) a Series 2026 Redemption Account, and, therein a Series 2026 Prepayment Subaccount and a Series 2026 Optional Redemption Subaccount;

(c) There is hereby established within the Reserve Fund held by the Trustee a Series 2026 Reserve Account, which Account shall be held for the benefit of all of the Series 2026 Bonds, without distinction as to Series 2026 Bonds and without privilege or priority of one Series 2026 Bond over another;

(d) There is hereby established within the Revenue Fund held by the Trustee a Series 2026 Revenue Account; and

(e) There is hereby established within the Rebate Fund held by the Trustee a Series 2026 Rebate Account.

Section 402. Use of Series 2026 Bond Proceeds. The net proceeds of the sale of the Series 2026 Bonds, \$[] shall, as soon as practicable upon the delivery thereof to the Trustee by the District pursuant to Section 207 of the Master Indenture, be applied as follows:

(a) \$[], representing the Series 2026 Reserve Account Requirement at the time of issuance of the Series 2026 Bonds shall be deposited to the credit of the Series 2026 Reserve Account;

(b) \$[], representing the Costs of Issuance relating to the Series 2026 Bonds shall be deposited to the credit of the Series 2026 Costs of Issuance Account;

(c) \$[], representing Capitalized Interest on the Series 2026 Bonds through and including November 1, 2026 shall be deposited to the credit of the Series 2026 Capitalized Interest Account; and

(d) \$[] shall be deposited to the credit of the Series 2026 Acquisition and Construction Account to be applied to pay Costs of the Series 2026 Project.

Section 403. Series 2026 Acquisition and Construction Account.

(a) (1) Amounts on deposit in the Series 2026 Acquisition and Construction Account shall be applied to pay the Cost of the Series 2026 Project upon compliance with the requisition provisions set forth in Section 503(b) of the Master Indenture and upon receipt by the Trustee of a requisition in the form attached hereto as Exhibit C and executed by the District and the Consulting Engineers, as applicable, which signatures may be in electronic form.

(2) Anything in the Master Indenture to the contrary notwithstanding, the District's Consulting Engineers shall not establish a Date of Completion of the Series 2026 Project until all of the First Release Conditions and the Second Release Conditions have been satisfied and all moneys that have been transferred from the Series 2026 Reserve Account to the Series 2026 Acquisition and Construction Account as a result of such satisfaction pursuant to Section 405 hereof have been expended or the Consulting Engineers have certified in writing to the District and the Trustee that such amount is in excess of the amount needed to complete the Series 2026 Project or, in consultation with Bond Counsel, other public components of the District's capital improvement plan. Upon the establishment by the Consulting Engineers of a Date of Completion for the Series 2026 Project, any balance remaining in the Series 2026 Acquisition and Construction Account (taking into account the moneys currently on deposit therein to pay any accrued but unpaid Costs of the Series 2026 Project or, in consultation with Bond Counsel, other public components of the District's capital improvement plan, which are required to be reserved in the Series 2026 Acquisition and Construction Account in accordance with the certificate of the Consulting Engineers delivered to the District and the Trustee establishing such Date of Completion), shall be transferred to the Series 2026 Prepayment Subaccount and applied to the extraordinary mandatory redemption of the Series 2026 Bonds in the manner prescribed in the form of the Series 2026 Bonds attached as part of Exhibit B hereto. After there are no funds therein and either the First Release Conditions and Second Release Conditions have been met or the Date of Completion of the Series 2026 Project has been established, the Series 2026 Acquisition and Construction Account shall be closed. Until the Trustee has received a certificate of the Consulting Engineers establishing the Date of Completion of the Series 2026 Project, the Trustee shall assume the Date of Completion of the Series 2026 Project has not yet occurred.

(b) All amounts on deposit in the Series 2026 Capitalized Interest Account shall, until and including November 1, 2026, be transferred into the Series 2026 Interest Account and applied to the payment of interest first coming due on the Series 2026 Bonds. If amounts remain on deposit in the Series 2026 Capitalized Interest Account after November 1, 2026, such amounts shall be transferred to the Series 2026 Acquisition and Construction Account, unless the Date of Completion of the Series 2026 Project has occurred, in which case such amounts shall be transferred to the Series 2026 Revenue Account. When there are no amounts remaining in the Series 2026 Capitalized Interest Account, such Account shall be closed.

(c) Anything in the Master Indenture or herein to the contrary notwithstanding, the District hereby acknowledges that (i) the Series 2026 Pledged Funds include, without limitation, all amounts on deposit in the Series 2026 Acquisition and Construction Account of the Acquisition and Construction Fund then held by the Trustee, (ii) upon the occurrence and during the continuance of an Event of Default with respect to the Series 2026 Bonds, the Series 2026 Pledged Funds may not be used by the District (whether to pay costs of the Series 2026 Project or otherwise) without the consent of the Majority Owners of the Series 2026 Bonds Outstanding, except to the extent that prior to the occurrence of the Event of Default the District had incurred a binding obligation with third parties for work on the Series 2026 Project and for which payment is due and owing for such work (and a certificate of an Authorized Officer as to whether such binding obligation has been incurred delivered to the Trustee in the form of Exhibit D shall be conclusive evidence of the same on which the Trustee may rely), and (iii) upon the occurrence and during the

continuance of an Event of Default with respect to the Series 2026 Bonds, the Series 2026 Pledged Funds may be used by the Trustee and/or the District, to the extent acting individually or jointly, to pursue remedies, at the written direction or with the approval of the Majority Owners of the Series 2026 Bonds Outstanding, to pay costs and expenses incurred in connection with the pursuit of remedies under the Master Indenture, as supplemented hereby, provided such action does not adversely impact the tax-exempt status of the Series 2026 Bonds and provided, further, that every use of Series 2026 Pledged Funds for such purpose shall be accompanied by detailed invoices for such costs and expenses delivered to the District Manager of the District indicating the purpose for which Series 2026 Pledged Funds are to be applied and such invoices shall be subject to the same public records laws, including, without limitation, Chapter 119, Florida Statutes, to which the District is subject. After the occurrence and during the continuance of an Event of Default, the District shall not enter into any binding agreement to expend any amounts included in the Series 2026 Trust Estate unless authorized in writing by the Majority Owners of the Series 2026 Bonds Outstanding.

Section 404. Series 2026 Costs of Issuance Account. The amount deposited in the Series 2026 Costs of Issuance Account shall, upon receipt by the Trustee of a requisition in the form attached hereto as Exhibit C, be used to pay Costs of Issuance relating to the Series 2026 Bonds. On the earlier to occur of: (x) the written direction of an Authorized Officer or (y) six (6) months from the date of issuance of the Series 2026 Bonds, any amounts deposited in the Series 2026 Costs of Issuance Account which have not been requisitioned shall be transferred over and deposited into the Series 2026 Acquisition and Construction Account and used for the purposes permitted therefor, whereupon the Series 2026 Costs of Issuance Account shall be closed; provided, however, if the Series 2026 Acquisition and Construction Account has been closed prior to the proposed date of transfer, such amounts shall instead be transferred into the Series 2026 Interest Account.

Section 405. Series 2026 Reserve Account. The Series 2026 Reserve Account shall be funded and maintained at all times, subject to the provisions of this First Supplemental Indenture, in an amount equal to the Series 2026 Reserve Account Requirement. Except as otherwise provided herein or in the Master Indenture, amounts on deposit in the Series 2026 Reserve Account shall be used only for the purpose of making payments into the Series 2026 Interest Account and the Series 2026 Sinking Fund Account to pay Debt Service on the Series 2026 Bonds, when due, without distinction as to Series 2026 Bonds and without privilege or priority of one Series 2026 Bond over another, to the extent the moneys on deposit in such Accounts therein and available therefor are insufficient and for no other purpose. The Series 2026 Reserve Account shall consist only of cash and Series 2026 Investment Obligations.

Upon satisfaction of the First Release Conditions and Second Release Conditions, respectively, an Authorized Officer of the District shall provide the First Release Certification and Second Release Certification, as applicable, to the Trustee, upon which certifications the Trustee may conclusively rely, and thereupon an Authorized Officer of the District shall recalculate the Series 2026 Reserve Account Requirement and instruct the Trustee to transfer any excess as a result of having met the First Release Conditions or Second Release Conditions, as applicable, to the Series 2026 Acquisition and Construction Account to be used for the purposes of such Account unless the Series 2026 Acquisition and Construction Account has been closed, in which case such excess shall be transferred to the Series 2026 Prepayment Subaccount.

Anything herein or in the Master Indenture to the contrary notwithstanding, on the forty-fifth (45th) day preceding each Quarterly Redemption Date (or, if such forty-fifth (45th) day is not a Business Day, on the first Business Day preceding such forty-fifth (45th) day) (or such other date that corresponds to the date mutually determined by the Trustee and the District pursuant to Section 408(c) hereof), the Trustee is hereby authorized and directed to recalculate the Series 2026 Reserve Account Requirement and to transfer any excess on deposit in the Series 2026 Reserve Account (other than excess resulting from investment earnings which shall be applied as provided in Section 408(f) hereof) into the Series 2026 Prepayment Subaccount of the Series 2026 Redemption Account to be applied to the extraordinary mandatory redemption of the Series 2026 Bonds as provided in the Series 2026 Bonds.

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

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

Section 406. Amortization Installments. (a) The Amortization Installments established for the Series 2026 Bonds shall be as set forth in the form of the Series 2026 Bonds attached hereto as part of Exhibit B.

(b) Upon any redemption of Series 2026 Bonds (other than (i) Series 2026 Bonds redeemed in accordance with scheduled Amortization Installments or (ii) Series 2026 Bonds redeemed at the direction of the District accompanied by a cash flow certificate as required by Section 506(b) of the Master Indenture), the Trustee shall cause Series 2026 Bonds to be redeemed in such amounts and having such maturities so as to result in Amortization Installments recalculated by the District, in such manner as shall amortize all the Outstanding Series 2026 Bonds of all of the terms in substantially equal annual installments of principal and interest (subject to rounding to Authorized Denominations of principal) over the remaining terms of all of the Series 2026 Bonds.

Section 407. Tax Covenants and Rebate Account. The District shall comply with the covenants set forth in the District's tax certificate executed and delivered in connection with the Series 2026 Bonds, as amended and supplemented from time to time in accordance with their terms. Notwithstanding anything to the contrary contained in the Indenture, the District also covenants that it shall comply with the requirements of the Code necessary to maintain the exclusion of interest on the Series 2026 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 the proceeds of such Series 2026 Bonds (or amounts deemed to be proceeds under the

Code) in any manner which would cause the interest on such Series 2026 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 2026 Bonds (or amounts deemed to be proceeds under the Code) or the Series 2026 Project in any manner which would cause the Series 2026 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 2026 Bonds.

Section 408. Establishment of Series 2026 Revenue Account in Revenue Fund; Application of Revenues and Investment Earnings. (a) There is hereby established within the Revenue Fund a Series 2026 Revenue Account into which the Trustee shall deposit any and all amounts required to be deposited therein by this Section 408 or by any other provision of the Master Indenture or this First Supplemental Indenture, and any other amounts or payments specifically designated by the District pursuant to a written direction or by a Supplemental Indenture for said purpose. The Series 2026 Revenue Account shall be held by the Trustee separate and apart from all other Funds and Accounts held under the Indenture and from all other moneys of the Trustee.

(b) The Trustee shall deposit into the Series 2026 Revenue Account the Series 2026 Pledged Revenues other than the Series 2026 Prepayments, which shall be identified by the District to the Trustee as such in writing upon deposit and which shall be deposited into the Series 2026 Prepayment Subaccount of the Series 2026 Redemption Account, and any other revenues required by other provisions of the Indenture to be deposited therein.

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

(d) On May 1 and November 1 (or if such May 1 or November 1 is not a Business Day, on the Business Day next preceding such May 1 or November 1), the Trustee shall first transfer

from the Series 2026 Capitalized Interest Account to the Series 2026 Interest Account the lesser of (i) the amount of interest coming due on the Series 2026 Bonds on such May 1 or November 1, less the amount already on deposit therein, or (ii) the amount remaining in the Series 2026 Capitalized Interest Account.

(e) Following the foregoing transfers, on such May 1 or November 1 (or if such May 1 or November 1 is not a Business Day, on the Business Day preceding such May 1 or November 1), the Trustee shall then transfer from the Series 2026 Revenue Account to the Funds and Accounts designated below the following amounts in the following order of priority:

FIRST, to the Series 2026 Interest Account, an amount equal to the amount of interest payable on all Series 2026 Bonds then Outstanding on such May 1 or November 1, less any amount transferred from the Series 2026 Capitalized Interest Account in accordance with Section 403(b) and Section 408(d) hereof and less any other amount already on deposit in the Series 2026 Interest Account not previously credited;

SECOND, on each May 1, commencing May 1, 2027, to the Series 2026 Sinking Fund Account, the amount, if any, equal to the difference between the Amortization Installments of all Series 2026 Bonds subject to mandatory sinking fund redemption on such May 1, and the amount already on deposit in the Series 2026 Sinking Fund Account not previously credited;

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

FOURTH, the balance shall be retained in the Series 2026 Revenue Account subject to the following paragraph.

Anything in the Master Indenture or herein to the contrary notwithstanding, it shall not, in and of itself, constitute an Event of Default hereunder if the full amount of the foregoing deposits are not made due to an insufficiency of funds therefor. The Trustee shall within ten (10) Business Days after the last Interest Payment Date in any calendar year, at the written direction of the District, withdraw any moneys held for the credit of the Series 2026 Revenue Account as of November 2nd of such year which are not otherwise required to be deposited to other Funds and Accounts pursuant to this Section on such immediately preceding Interest Payment Date and deposit such moneys first to the credit of the Series 2026 Rebate Account in the amount, and to the extent necessary, so the amount on deposit therein equals the accrued rebate obligation under Section 148(f) of the Code, if the Trustee has received a certification from the District by such date detailing the amount of such obligation which shall be deposited. Any remaining amounts in the Series 2026 Revenue Account on November 2nd of any calendar year after making the payment, if any, required under the immediately preceding sentence, may next be transferred to the District, at its written request, to be used for any lawful purpose of the District; provided, however, that on the proposed payment date of any proposed transfer to the District, the Trustee's fees and expenses are current and the Trustee is authorized to debit the Revenue Account to pay such fees and expenses and the amount on deposit in the Series 2026 Reserve Account, shall be equal to the Series 2026 Reserve Requirement and, provided further, that the Trustee shall not have actual knowledge of an Event of Default hereunder.

(f) On any date required by the Code, the District shall give the Trustee written direction to, and the Trustee shall, transfer from the Series 2026 Revenue Account to the Series 2026 Rebate Account established for the Series 2026 Bonds in the Rebate Fund in accordance with the Master Indenture, the amount due and owing to the United States, which amount shall be paid to the United States, when due, in accordance with the Code.

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

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

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

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

**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.

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 VI thereof.

**ARTICLE VI
ADDITIONAL BONDS**

Section 601. Limitation on Additional Bonds and Other Obligations.

(a) Other than Bonds issued to refund all of the then Outstanding Series 2026 Bonds, the issuance of which results in net present value debt service savings, the District shall not, while any Series 2026 Bonds are Outstanding, issue or incur any debt payable in whole or in part from the Series 2026 Trust Estate. The District further covenants that it will not impose Assessments for capital projects on any property then subject to the Series 2026 Assessments, without the written consent of the Majority Owners of the Series 2026 Bonds Outstanding, unless the Series 2026 Assessments have been Substantially Absorbed. The Trustee is entitled to assume that the Series 2026 Assessments have not been Substantially Absorbed absent delivery to the Trustee of a certificate of the District to the contrary on which the Trustee may conclusively rely.

(b) Notwithstanding the limitations imposed in this Section 601, the District at any time may issue additional Bonds or other obligations payable from additional Assessments encumbering the land subject to the Series 2026 Assessments which are necessary, as determined by the District, for health, safety or welfare reasons or to remediate a natural disaster or Operation and Maintenance Assessments.

**ARTICLE VII
MISCELLANEOUS**

Section 701. 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 2026 Bonds issued hereunder. To the extent there are any conflicts between the terms and provisions of the Master Indenture and this First Supplemental Indenture the terms and provisions hereof shall control.

Section 702. Continuing Disclosure Agreement. Contemporaneously with the execution and delivery hereof, the District has executed and delivered the Continuing Disclosure Agreement in order to assist the Underwriter in complying with the requirements of Rule 15c2-12 promulgated under the Securities and Exchange Act of 1934. The District covenants and agrees to comply with the provisions of such Continuing Disclosure Agreement; however, as set forth therein, failure to so comply shall not constitute an Event of Default hereunder, but, instead shall be enforceable by mandamus, injunction or any other means of specific performance as provided in the Master Indenture and such Continuing Disclosure Agreement.

Section 703. Additional Covenants Regarding Assessments. In addition to, 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 Series 2026 Assessments, including the Assessment Resolution and the Assessment Methodology, and to levy and collect the Series 2026 Assessments as set forth in the Assessment Methodology, in such manner as will generate funds sufficient to pay the principal of and interest on the Series 2026 Bonds, when due. The District covenants and agrees that upon the occurrence and continuance of an Event of Default with respect to the Series 2026 Bonds, it will take such actions to enforce the remedial provisions of the Indenture, the provisions for the collection of Delinquent Series 2026 Assessments that are directly billed and collected by the District, and the provisions for the foreclosure of liens of Delinquent Series 2026 Assessments that are directly billed and collected by the District, all in a manner consistent with the Master Indenture and this First Supplemental Indenture.

Section 704. Collection of Assessments. Anything herein or in the Master Indenture to the contrary notwithstanding, subject to the next succeeding sentence, Series 2026 Assessments shall be collected pursuant to the Uniform Method; provided that Series 2026 Assessments levied on platted lots and unplatted lands owned by the Developer and/or builders shall be billed and collected directly by the District pursuant to the Act and Chapters 170 and 197, Florida Statutes, and not pursuant to the Uniform Method. Prior to an Event of Default, the election to collect and enforce Series 2026 Assessments in any year pursuant to any one method shall not, to the extent permitted by law, preclude the District from electing to collect and enforce Series 2026 Assessments pursuant to any other method permitted by law in any subsequent year. Following an Event of Default, Series 2026 Assessments shall be collected pursuant to the Uniform Method; provided that Series 2026 Assessments levied on platted lots and unplatted lands owned by the Developer and/or builders shall be billed and collected directly by the District pursuant to the Act and Chapters 170 and 197, Florida Statutes, and not pursuant to the Uniform Method; provided, however, the Trustee, acting at the written direction of the Majority Owners of the Series 2026 Bonds Outstanding may deliver a notice to the District directing the District to collect the Delinquent Series 2026 Assessments in a different manner permitted by the Act and Chapters 170 and 197, Florida Statutes, provided that (i) such direction shall be in the form attached hereto as Exhibit E; (ii) the District shall not be required to comply with such direction until it is able to change the manner of collection in accordance with applicable Florida law; and (iii) the District shall not be required to comply with any direction that is not provided strictly in the form of Exhibit E. All Series 2026 Assessments that are billed and collected directly by the District and not via the Uniform Method shall be due and payable by the landowner at such times as determined by the District, but no later than thirty-one (31) Business Days prior to each Interest Payment Date; provided, however, that such Series 2026 Assessments shall not be deemed to be Delinquent Series

2026 Assessments unless and until same are not paid by the applicable Interest Payment Date with respect to which they have been billed. For purposes of this First Supplemental Indenture, property is deemed "platted" when it becomes "Platted Property" as defined in the Assessment Methodology.

Section 705. Foreclosure of Assessment Lien. (a) Notwithstanding Section 814 of the Master Indenture or any other provision of the Indenture to the contrary, the following provisions shall apply with respect to the Series 2026 Assessments and Series 2026 Bonds.

If any property shall be offered for sale for the nonpayment of any Series 2026 Assessments and no person or persons shall purchase such property for an amount equal to the full amount due on the Series 2026 Assessments (principal, interest, penalties and costs, plus attorneys' fees, if any), the District, after receiving the written direction of the Trustee, acting at the written direction of the Majority Owners of the Series 2026 Bonds Outstanding, specifying whether the District is to take title to the property in its corporate name or in the name of a special purpose entity (each, an "SPE"), may purchase the property for an amount less than or equal to the balance due on the Series 2026 Assessments (principal, interest, penalties and costs, plus attorneys' fees, if any), from any legally available funds of the District and the District shall receive in its corporate name or in the name of an SPE title to the property for the benefit of the Owners of the Series 2026 Bonds. The District, either through its own actions, or actions caused to be taken by the District through the Trustee, acting at the written direction of the Majority Owners of the Series 2026 Bonds Outstanding, 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 Series 2026 Revenue Account. The District, either through its own actions, or actions caused to be taken by the District through the Trustee, acting at the written direction of the Majority Owners of the Series 2026 Bonds Outstanding, agrees that the District shall, after being provided assurances satisfactory to it of payment of the District's 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 2026 Bonds within sixty (60) days after the receipt of the request therefore signed by the Trustee, acting at the written direction of the Majority Owners of the Series 2026 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 Series 2026 Bonds. The District shall not be required to execute any documentation evidencing the extinguishment or release of the lien of the Series 2026 Assessments and/or the Series 2026 Bonds following the sale of property pursuant to the preceding sentence without receipt of written evidence satisfactory to the District that all of the Owners of the Series 2026 Bonds concur with such extinguishment or release. With respect to any SPE: (i) the books and records of the SPE shall be deemed subject to the same public records laws, including, without limitation, Chapter 119, Florida Statutes, to which the District is subject; and (ii) in addition to the information to be provided to the District pursuant to Section 403(c), such SPE shall provide to the District Manager any information regarding the SPE and its activities requested by or on behalf of the District within five (5) Business Days following such request, and by purchasing the Series 2026 Bonds, the Owners thereof are deemed to agree to cause any SPE not owned or controlled by the District to comply with the foregoing to the extent legally able to do so.

(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 Series 2026 Assessments that are billed directly by the District, the entire Series 2026 Assessments levied on the property for which such installment of Series 2026 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 direction of the Trustee, acting at the written direction of the Majority Owners of the Series 2026 Bonds Outstanding, the District after being provided assurances satisfactory to it of payment of its fees, costs and expenses for doing so, shall promptly, but in any event within one hundred twenty (120) days of the receipt of such direction, cause to be brought the necessary legal proceedings for the foreclosure of liens of Delinquent Series 2026 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 provided by Florida law. Such direction shall be in the form of Exhibit F hereto and the District shall not be required to comply with any direction that is not provided strictly in the form of Exhibit F.

(c) Notwithstanding anything to the contrary herein or in the Master Indenture, the District and/or the Trustee, to the extent acting individually or jointly, in pursuing foreclosure proceedings with respect to any lot or parcel delinquent in the payment of any Series 2026 Assessments, shall be entitled to first recover from any foreclosure, before such proceeds are applied to the payment of principal or interest on the Series 2026 Bonds, all fees and costs expended in connection with such foreclosure, regardless whether such fees and costs could be construed as Series 2026 Assessments or Series 2026 Pledged Revenues or are otherwise held under the Indenture, provided such action does not adversely impact the tax-exempt status of the Series 2026 Bonds.

Section 706. Requisite Owners for Direction or Consent. Anything in the Master Indenture to the contrary, notwithstanding any direction or consent or similar provision which requires more than fifty percent of the Owners of the Series 2026 Bonds shall, in each case, be deemed to refer to, and shall mean, the Majority Owners of the Series 2026 Bonds Outstanding. Following an Event of Default, any direction to the District permitted to be given by the Trustee and/or the Owners hereby or by the Master Indenture must be in writing, signed by the Trustee and the Majority Owners of the Series 2026 Bonds Outstanding and, with respect to the direction referenced in Sections 704 and 705(b) hereof, in the applicable forms attached hereto as exhibits.

Section 707. Assignment of District's Rights Under Collateral Assignment. Subject to the terms of the Collateral Assignment, and without intending to alter the same, the District hereby assigns its rights under the Collateral Assignment to the Trustee for the benefit of the Owners, from time to time, of the Series 2026 Bonds. Such assignment shall not be considered an assumption by the Trustee of any obligations thereunder.

Section 708. Enforcement of Completion Agreement and True-Up Agreement. The District covenants that it shall strictly enforce all of the provisions of the Completion Agreement and the True-Up Agreement.

Section 709. Interpretation of First Supplemental Indenture. This First Supplemental Indenture amends and supplements the Master Indenture with respect to the Series 2026 Bonds, and all of the provisions of the Master Indenture, to the extent not inconsistent herewith, are

incorporated in this First Supplemental Indenture by reference. To the maximum extent possible, the Master Indenture and this First Supplemental Indenture shall be read and construed as one document.

Section 710. Amendments. Any amendments to this First Supplemental Indenture shall be made pursuant to the provisions for amendment contained in the Master Indenture.

Section 711. Counterparts. This First Supplemental Indenture may be executed in any number of counterparts, each of which when so executed and delivered shall be an original; but such counterparts shall together constitute but one and the same instrument.

Section 712. Appendices and Exhibits. Any and all schedules, appendices or exhibits referred to in and attached to this First Supplemental Indenture are hereby incorporated herein and made a part of this First Supplemental Indenture for all purposes.

Section 713. Payment Dates. In any case in which an Interest Payment Date or the maturity date of the Series 2026 Bonds or the date fixed for the redemption of any Series 2026 Bonds shall be other than a Business Day, then payment of interest, principal or Redemption Price need not be made on such date but may be made on the next succeeding Business Day, with the same force and effect as if made on the due date, and no interest on such payment shall accrue for the period after such due date if payment is made on such next succeeding Business Day.

Section 714. No Rights Conferred on Others. Nothing herein contained shall confer any right upon any Person other than the parties hereto and the Owners of the Series 2026 Bonds.

[Remainder of Page Intentionally Left Blank]

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

(SEAL)

**ESPLANADE AT WELLEN PARK
COMMUNITY DEVELOPMENT
DISTRICT**

Attest:

Secretary

By: _____
Chair, Board of Supervisors

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

By: _____
Vice President

EXHIBIT A

DESCRIPTION OF SERIES 2026 PROJECT

A portion of the Capital Improvement Program reflected in [Table 1] of the supplemental report of the Consulting Engineers attached as an exhibit hereto.

EXHIBIT B

FORM OF SERIES 2026 BONDS

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**UNITED STATES OF AMERICA
STATE OF FLORIDA**

**ESPLANADE AT WELLEN PARK COMMUNITY DEVELOPMENT DISTRICT
CAPITAL IMPROVEMENT REVENUE BOND, SERIES 2026**

Interest Rate	Maturity Date	Dated Date	CUSIP
[]%	May 1, 20[]	March [], 2026	[]

Registered Owner: CEDE & CO.

Principal Amount: [] DOLLARS

ESPLANADE AT WELLEN PARK COMMUNITY DEVELOPMENT DISTRICT, a community development district duly established and existing pursuant to Chapter 190, Florida Statutes (the "District"), for value received, hereby promises to pay (but only out of the sources hereinafter mentioned) to the registered Owner set forth above, or registered assigns, on the maturity date shown hereon, unless this Bond shall have been called for redemption in whole or in part and payment of the Redemption Price (as defined in the Indenture hereinafter mentioned) shall have been duly made or provided for, the principal amount shown above and to pay (but only out of the sources hereinafter mentioned) interest on the outstanding principal amount hereof from the most recent Interest Payment Date to which interest has been paid or provided for, or, if no interest has been paid, from the Dated Date shown above on May 1 and November 1 of each year (each, an "Interest Payment Date"), commencing on May 1, 2026, until payment of said principal sum has been made or provided for, at the rate per annum set forth above. Notwithstanding the foregoing, if any Interest Payment Date is not a Business Day (as defined in the Indenture hereinafter mentioned), then all amounts due on such Interest Payment Date shall be payable on the first Business Day succeeding such Interest Payment Date, but shall be deemed paid on such Interest Payment Date. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in the Indenture (as hereinafter defined), be paid to the registered Owner hereof at the close of business on the regular Record Date for such interest, which shall be the fifteenth (15th) day of the calendar month next preceding such Interest Payment Date, or, if such day is not a Business Day on the Business Day immediately preceding such day; provided, however, that on or after the occurrence and continuance of an Event of Default under clause (a) of Section 902 of the Master Indenture (hereinafter defined), the payment of interest and principal or Redemption Price or Amortization Installments shall be made by the Paying Agent (hereinafter defined) to such person, who, on a special record date which is fixed by the Trustee, which shall be not more than fifteen (15) and not less than ten (10) days prior to the date of such proposed payment, appears on the registration books of the Bond Registrar as the registered Owner

of this Bond. Any payment of principal, Maturity Amount or Redemption Price shall be made only upon presentation hereof at the designated corporate trust office of U.S. Bank Trust Company, National Association, located in Fort Lauderdale, Florida, or any alternate or successor paying agent (collectively, the "Paying Agent"), unless the Series 2026 Bonds are held in the book entry system in which case presentation shall not be required. Payment of interest shall be made by check or draft (or by wire transfer to a bank in the United States for the account of the registered Owner set forth above if such Owner requests such method of payment in writing on or prior to the regular Record Date for the respective interest payment to such account as shall be specified in such request, but only if the registered Owner set forth above owns not less than \$1,000,000 in aggregate principal amount of the Series 2026 Bonds, as defined below). Interest on this Bond will be computed on the basis of a 360-day year composed of twelve 30-day months. Capitalized terms used herein and not otherwise defined shall have the same meaning as set forth in the hereinafter defined Indenture.

This Bond is one of a duly authorized issue of bonds of the District designated as \$[_____] Esplanade at Wellen Park Community Development District Capital Improvement Revenue Bonds, Series 2026 (the "Series 2026 Bonds") and is issued as a Series of Bonds under a Master Trust Indenture, to be dated as of [_____] 1, 2026 (the "Master Indenture"), between the District and U.S. Bank Trust Company, National Association, located in Fort Lauderdale, Florida, as trustee (the "Trustee"), as supplemented by a First Supplemental Trust Indenture, to be dated as of [_____] 1, 2026 (the "Supplemental Indenture"), between the District and the Trustee. The Master Indenture as amended and supplemented by the Supplemental Indenture is hereinafter referred to as the "Indenture" and the Series 2026 Bonds, together with any other Bonds issued under and governed by the terms of the Master Indenture, are hereinafter collectively referred to as the "Bonds." The District will apply the proceeds of the Series 2026 Bonds to: (i) finance the Cost of acquiring, constructing and equipping certain public assessable infrastructure and public improvements comprising a portion of the District's Capital Improvement Program; (ii) pay certain costs associated with the issuance of the Series 2026 Bonds; (iii) make deposits into the Series 2026 Reserve Account, which Accounts will be held for the benefit of all of the Series 2026 Bonds without privilege or priority of one Series 2026 Bond over another; and (iv) pay a portion of the interest to become due on the Series 2026 Bonds on the dates specified in the Supplemental Indenture.

NEITHER THIS BOND NOR THE INTEREST AND PREMIUM, IF ANY, PAYABLE HEREON SHALL CONSTITUTE A GENERAL OBLIGATION OR GENERAL INDEBTEDNESS OF THE DISTRICT WITHIN THE MEANING OF THE CONSTITUTION AND LAWS OF FLORIDA. THIS BOND AND THE SERIES OF WHICH IT IS A PART AND THE INTEREST AND PREMIUM, IF ANY, PAYABLE HEREON AND THEREON DO NOT CONSTITUTE EITHER A PLEDGE OF THE FULL FAITH AND CREDIT OF THE DISTRICT OR A LIEN UPON ANY PROPERTY OF THE DISTRICT OTHER THAN AS PROVIDED IN THE MASTER INDENTURE OR IN THE SUPPLEMENTAL INDENTURE AUTHORIZING THE ISSUANCE OF THE SERIES 2026 BONDS. NO OWNER OR ANY OTHER PERSON SHALL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY AD VALOREM TAXING POWER OF THE DISTRICT OR ANY OTHER PUBLIC AUTHORITY OR GOVERNMENTAL BODY TO PAY DEBT SERVICE OR TO PAY ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE MASTER INDENTURE, THE SUPPLEMENTAL INDENTURE, OR THE SERIES 2026 BONDS. RATHER, DEBT SERVICE

AND ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE MASTER INDENTURE, THE SUPPLEMENTAL INDENTURE, OR THE SERIES 2026 BONDS, SHALL BE PAYABLE SOLELY FROM, AND SHALL BE SECURED SOLELY BY, THE SERIES 2026 TRUST ESTATE, INCLUDING THE SERIES 2026 PLEDGED REVENUES AND THE SERIES 2026 PLEDGED FUNDS, PLEDGED TO THE SERIES 2026 BONDS, ALL AS PROVIDED HEREIN, IN THE MASTER INDENTURE AND IN THE SUPPLEMENTAL INDENTURE.

This Bond is issued under and pursuant to the Constitution and laws of the State of Florida, particularly Chapter 190, Florida Statutes, and other applicable provisions of law and pursuant to the Indenture, executed counterparts of which Indenture are on file at the corporate trust office of the Trustee. Reference is hereby made to the Indenture for the provisions, among others, with respect to the custody and application of the proceeds of Series 2026 Bonds issued under the Indenture, the collection and disposition of revenues and the funds charged with and pledged to the payment of the principal and Redemption Price of, and the interest on, the Series 2026 Bonds, the nature and extent of the security thereby created, the covenants of the District with respect to the levy and collection of the Series 2026 Assessments, the terms and conditions under which the Series 2026 Bonds are or may be issued, the rights, duties, obligations and immunities of the District and the Trustee under the Indenture and the rights of the Owners of the Series 2026 Bonds, and, by the acceptance of this Bond, the Owner hereof assents to all of the provisions of the Indenture. The Series 2026 Bonds are equally and ratably secured by the Series 2026 Trust Estate, without preference or priority of one Series 2026 Bond over another. The Supplemental Indenture does not authorize the issuance of any Additional Bonds ranking on a parity with the Series 2026 Bonds as to the lien and pledge of the Series 2026 Trust Estate.

The Series 2026 Bonds are issuable only as registered bonds without coupons in current interest form in denominations of \$5,000 or any integral multiple thereof (an "Authorized Denomination"); provided, however, that the Series 2026 Bonds shall be delivered to the initial purchasers thereof only in aggregate principal amounts of \$100,000 or integral multiples of Authorized Denominations in excess of \$100,000. This Bond is transferable by the registered Owner hereof or his duly authorized attorney at the designated corporate trust office of the Trustee in Fort Lauderdale, Florida, as Bond Registrar (the "Bond Registrar"), upon surrender of this Bond, accompanied by a duly executed instrument of transfer in form and with guaranty of signature reasonably satisfactory to the Bond Registrar, subject to such reasonable regulations as the District or the Bond Registrar may prescribe, and upon payment of any taxes or other governmental charges incident to such transfer. Upon any such transfer a new Series 2026 Bond or Series 2026 Bonds, in the same aggregate principal amount as the Series 2026 Bond or Series 2026 Bonds transferred, will be issued to the transferee. At the corporate trust office of the Bond Registrar in Fort Lauderdale, Florida, in the manner and subject to the limitations and conditions provided in the Master Indenture and without cost, except for any tax or other governmental charge, Series 2026 Bonds may be exchanged for an equal aggregate principal amount of Series 2026 Bonds of the same maturity, of Authorized Denominations and bearing interest at the same rate or rates.

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

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

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

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

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

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

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

*Maturity

The Series 2026 Bonds maturing May 1, 20[] are subject to mandatory redemption in part by the District by lot prior to their scheduled maturity from moneys in the Series 2026 Sinking

Fund Account established under the Supplemental Indenture in satisfaction of applicable Amortization Installments at the Redemption Price of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

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

*Maturity

As more particularly set forth in the Indenture, any Series 2026 Bonds that are purchased by the District with amounts held to pay an Amortization Installment will be cancelled and the principal amount so purchased will be applied as a credit against the applicable Amortization Installment of Series 2026 Bonds. Amortization Installments are also subject to recalculation, as provided in the Supplemental Indenture, as the result of the redemption of Series 2026 Bonds (other than (i) Series 2026 Bonds redeemed in accordance with scheduled Amortization Installments or (ii) Series 2026 Bonds purchased at the direction of the District accompanied by a cash flow certificate as required by Section 506(b) of the Master Indenture) so as to re-amortize the remaining Outstanding principal balance of the Series 2026 Bonds as set forth in Section 406(b) of the Supplemental Indenture.

The Series 2026 Bonds are subject to extraordinary mandatory redemption prior to maturity, in whole on any date or in part on any Quarterly Redemption Date, and if in part, pro rata, in the manner provided in the Indenture, including Section 406(b) of the Supplemental Indenture, at the Redemption Price of 100% of the principal amount thereof, without premium, together with accrued interest to the date of redemption, if and to the extent that any one or more of the following shall have occurred:

- (a) on or after the Date of Completion of the Series 2026 Project, by application of moneys transferred from the Series 2026 Acquisition and Construction Account in the Acquisition and Construction Fund established under the Indenture to the Series 2026 Prepayment Subaccount of the Series 2026 Redemption Account in accordance with the terms of the Indenture; or
- (b) from amounts, including Series 2026 Prepayments and transfers made pursuant to Section 403 of the Supplemental Indenture, required by the Indenture to be deposited into the Series 2026 Prepayment Subaccount of the Series 2026 Redemption Account; or
- (c) from amounts transferred to the Series 2026 Prepayment Subaccount of the Series 2026 Redemption Account resulting from a reduction in the Series 2026 Reserve Account Requirement as provided for in the Indenture; or
- (d) on and after the date on which the amount on deposit in the Series 2026 Reserve Account, together with other moneys available therefor, are sufficient to pay and redeem all of the Series 2026 Bonds then Outstanding, including accrued interest thereon.

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

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

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

In certain events, on the conditions, in the manner and with the effect set forth in the Indenture, the principal of all the Series 2026 Bonds then Outstanding under the Indenture may become and may be declared due and payable before the stated maturities thereof, with the interest accrued thereon.

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

If the District deposits or causes to be deposited with the Trustee cash or Defeasance Securities sufficient to pay the principal or Redemption Price of any Series 2026 Bonds becoming due at maturity or by call for redemption in the manner set forth in the Indenture, together with the interest accrued to the due date, the lien of the Series 2026 Bonds as to the Series 2026 Trust Estate shall be discharged, except for the rights of the Owners thereof with respect to the funds so deposited as provided in the Indenture.

This Bond shall have all the qualities and incidents, including negotiability, of investment securities within the meaning and for all the purposes of the Uniform Commercial Code of the State of Florida. This Bond is issued with the intent that the laws of the State of Florida shall govern its construction.

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

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

**ESPLANADE AT WELLEN PARK
COMMUNITY DEVELOPMENT
DISTRICT**

Attest:

Secretary

[Official Seal]

By: _____
Chair, Board of Supervisors

**CERTIFICATE OF AUTHENTICATION
FOR SERIES 2026 BONDS**

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

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

Date of Authentication:

March [____], 2026

By: _____
Vice President

CERTIFICATE OF VALIDATION

This Bond is one of a Series of Bonds which were validated by judgment of the Circuit Court for Sarasota County, Florida rendered on November 6, 2025.

**ESPLANADE AT WELLEN PARK
COMMUNITY DEVELOPMENT DISTRICT**

Chair

ABBREVIATIONS FOR SERIES 2026 BONDS

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

TEN COM as tenants in common

TEN ENT as tenants by the entirities

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

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

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

FORM OF ASSIGNMENT FOR SERIES 2026 BONDS

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

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

Dated:

Social Security Number or Employer:

Identification Number of Transferee:

Signature guaranteed:

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

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

EXHIBIT C

FORM OF REQUISITION FOR SERIES 2026 PROJECT

**ESPLANADE AT WELLEN PARK COMMUNITY DEVELOPMENT DISTRICT
CAPITAL IMPROVEMENT REVENUE BONDS, SERIES 2026**

SERIES 2026 ACQUISITION AND CONSTRUCTION ACCOUNT REQUISITION

The undersigned, an Authorized Officer of Esplanade at Wellen Park Community Development District (the "District") hereby submits the following requisition for disbursement under and pursuant to the terms of the Master Trust Indenture from the District to U.S. Bank Trust Company, National Association, Fort Lauderdale, Florida, as trustee (the "Trustee"), dated as of [_____] 1, 2026 (the "Master Indenture"), as amended and supplemented by the First Supplemental Trust Indenture from the District to the Trustee, dated as of [_____] 1, 2026 (the Master Indenture as amended and supplemented is hereinafter referred to as the "Indenture") (all capitalized terms used herein shall have the meaning ascribed to such term in the Indenture):

(A) Requisition Number:

(B) Name of Payee:

(C) Amount Payable:

(D) Purpose for which paid or incurred (refer also to specific contract if amount is due and payable pursuant to a contract involving progress payments, or, state Costs of Issuance, if applicable):

The undersigned hereby certifies that [obligations in the stated amount set forth above have been incurred by the District, that each disbursement set forth above is a proper charge against the Project Fund, that each disbursement set forth above was incurred in connection with the acquisition and construction of the Series 2026 Project and each represents a Cost of the Series 2026 Project, and has not previously been paid] OR [this requisition is for Costs of Issuance payable from the Series 2026 Costs of Issuance Account that has not previously been paid].

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.

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

**ESPLANADE AT WELLEN PARK
COMMUNITY DEVELOPMENT DISTRICT**

By: _____
Authorized Officer

**CONSULTING ENGINEERS' APPROVAL FOR NON-COSTS OF ISSUANCE
REQUESTS ONLY**

If this requisition is for a disbursement for other than Costs of Issuance, the undersigned Consulting Engineers hereby certify that this disbursement is for a Cost of the Series 2026 Project and is consistent with: (i) the applicable acquisition or construction contract; (ii) the plans and specifications for the corresponding Series 2026 Project segment with respect to which such disbursement is being made; and (iii) the improvements reflected in [Table 1] in the supplemental report of the Consulting Engineers attached as an exhibit to the First Supplemental Indenture.

The undersigned further certifies that (a) the Series 2026 Project improvements to be acquired with this disbursement will be (1) owned by the District or another governmental entity and located on public property or within public rights of way or easements and (2) accessible by the general public and/or part of a public utility or water management system; (b) the purchase price to be paid by the District for the Series 2026 Project improvements to be acquired with this disbursement is no more than the lesser of the cost of such Series 2026 Project or the fair market value of the assets acquired by the District from the Developer as set forth in the Acquisition Agreement; (c) the plans and specifications for the Series 2026 Project improvements have been approved by all regulatory bodies required to approve them or such approval can reasonably be expected to be obtained; (d) all currently required approvals and permits for the acquisition, construction, reconstruction, installation and equipping of the portion of the Series 2026 Project for which disbursement is made have been obtained from all applicable regulatory bodies; and (e) to the best of our knowledge based upon representations made by the seller pursuant to the Acquisition Agreement, subject to permitted retainage under the applicable contracts, the seller has paid all contractors, subcontractors, and materialmen that have provided services or materials in connection with the portions of the Series 2026 Project for which disbursement is made hereby, if acquisition is being made pursuant to the Acquisition Agreement.

Consulting Engineers

EXHIBIT D
FORM OF
BINDING OBLIGATION NOTICE FOLLOWING AN EVENT OF DEFAULT

U.S. Bank Trust Company, National Association, as trustee
Fort Lauderdale, Florida

Re: Esplanade at Wellen Park Community Development District Capital Improvement Revenue Bonds, Series 2026 (the "2026 Bonds")

Ladies and Gentlemen:

The 2026 Bonds are issued and Outstanding under the Master Trust Indenture from the Esplanade at Wellen Park Community Development District (the "District") to U.S. Bank Trust Company, National Association, Fort Lauderdale, Florida, as trustee (the "Trustee"), dated as of [_____] 1, 2026 (the "Master Indenture"), as amended and supplemented by the First Supplemental Trust Indenture from the District to the Trustee, dated as of [_____] 1, 2026 (the "Supplemental Indenture" and, together with the Master Indenture, the "Indenture"). All capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Indenture.

This shall serve as a notice from the District, as contemplated by Section 403(c) of the Supplemental Indenture, that the District has incurred the below described binding obligations which were incurred prior to any Event of Default and which are to be paid from the Series 2026 Acquisition and Construction Account in accordance with the Indenture:

Nature of Obligation	Payee	Amount
----------------------	-------	--------

**ESPLANADE AT WELLEN PARK
COMMUNITY DEVELOPMENT DISTRICT**

By: _____
Authorized Officer

EXHIBIT E
FORM OF
DIRECTION/COLLECTION METHOD NOTICE FOLLOWING AN EVENT OF
DEFAULT

Esplanade at Wellen Park Community Development District
Board of Supervisors
c/o District Manager

Re: Esplanade at Wellen Park Community Development District Capital Improvement
Revenue Bonds, Series 2026 (the "2026 Bonds")

Ladies and Gentlemen:

The undersigned are the Trustee and Majority Owners of the above-referenced 2026 Bonds issued pursuant to the Master Trust Indenture from the Esplanade at Wellen Park Community Development District (the "District") to U.S. Bank Trust Company, National Association, Fort Lauderdale, Florida, as trustee (the "Trustee"), dated as of [_____] 1, 2026 (the "Master Indenture"), as amended and supplemented by the First Supplemental Trust Indenture from the District to the Trustee, dated as of [_____] 1, 2026 (the "Supplemental Indenture" and, together with the Master Indenture, the "Indenture") (all capitalized terms used herein shall have the meaning ascribed to such term in the Indenture).

Pursuant to Section 704 of the Supplemental Indenture, this Notice is provided to the District to direct the District to collect the Series 2026 Assessments in the manner as follows at the earliest practicable time permitted by applicable law (check ones that apply):

_____ Uniform Method for [describe lots or lands]

_____ Direct Bill for [describe lots or lands]

The undersigned agree that this represents the direction as to the method of collection of the Series 2026 Assessments permitted by Section 704 of the Indenture.

Dated: _____, 20____

[Signatures on following page]

TRUSTEE:

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

By: _____
Print Name: _____
Title: _____

MAJORITY OWNERS:

_____, as beneficial owner

By: _____
Name: _____
Title: _____
Date: _____

Aggregate principal amount of the 2026 Bonds held
on the Record Date hereof:

PRINCIPAL AMOUNT _____

CUSIP _____

DTC PARTICIPANT NUMBER _____

_____, as beneficial owner

By: _____
Name: _____
Title: _____
Date: _____

Aggregate principal amount of the 2026 Bonds held
on the Record Date hereof:

PRINCIPAL AMOUNT _____

CUSIP _____

DTC PARTICIPANT NUMBER _____

EXHIBIT F
FORM OF
DIRECTION/FORECLOSURE

Esplanade at Wellen Park Community Development District
Board of Supervisors
c/o District Manager

Re: Esplanade at Wellen Park Community Development District Capital Improvement
Revenue Bonds, Series 2026 (the "2026 Bonds")

Ladies and Gentlemen:

The undersigned are the Trustee and Majority Owners of the above-referenced 2026 Bonds issued pursuant to the Master Trust Indenture from the Esplanade at Wellen Park Community Development District (the "District") to U.S. Bank Trust Company, National Association, Fort Lauderdale, Florida, as trustee (the "Trustee"), dated as of [_____] 1, 2026 (the "Master Indenture"), as amended and supplemented by the First Supplemental Trust Indenture from the District to the Trustee, dated as of [_____] 1, 2026 (the "Supplemental Indenture" and, together with the Master Indenture, the "Indenture") (all capitalized terms used herein shall have the meaning ascribed to such term in the Indenture).

Pursuant to Section 705(b) of the Supplemental Indenture, this Notice is provided to the District to direct the District to commence foreclosure proceedings as contemplated by such Section 705(b), with the understanding that the Indenture does not require the District to take any such action unless and until the District is provided assurances satisfactory to it of the payment of its fees, costs and expenses for doing so.

Dated: _____, 20__

[Signatures on following page]

TRUSTEE:

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION

By: _____
Print Name: _____
Title: _____

MAJORITY OWNERS:

_____, as beneficial owner

By: _____
Name: _____
Title: _____
Date: _____

Aggregate principal amount of the 2026 Bonds held on the Record Date hereof:

PRINCIPAL AMOUNT _____

CUSIP _____

DTC PARTICIPANT NUMBER _____

_____, as beneficial owner

By: _____
Name: _____
Title: _____
Date: _____

Aggregate principal amount of the 2026 Bonds held on the Record Date hereof:

PRINCIPAL AMOUNT _____

CUSIP _____

DTC PARTICIPANT NUMBER _____

EXHIBIT B

FORM OF BOND PURCHASE CONTRACT

**ESPLANADE AT WELLEN PARK COMMUNITY DEVELOPMENT DISTRICT
(Sarasota County, Florida)**

\$ _____
Capital Improvement Revenue Bonds, Series 2026

_____, 2026

BOND PURCHASE AGREEMENT

Esplanade at Wellen Park Community Development District
Sarasota County, Florida

Ladies and Gentlemen:

MBS Capital Markets, LLC (the “Underwriter”) offers to enter into this Bond Purchase Agreement with the Esplanade at Wellen Park Community Development District (the “District” or the “Issuer”). This offer is made subject to written acceptance hereof by the Issuer 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 Issuer at any time prior to the acceptance hereof by the Issuer. Capitalized terms that are not defined herein shall have the meanings ascribed to such terms in the Limited Offering Memorandum or the Indenture, each as defined herein.

1. Purchase and Sale. Upon the terms and conditions and in reliance on the representations, warranties, covenants and agreements set forth herein, the Underwriter hereby agrees to purchase from the Issuer, and the Issuer hereby agrees to sell and deliver to the Underwriter, all (but not less than all) of the Issuer’s \$ _____ Capital Improvement Revenue Bonds, Series 2026 (the “Series 2026 Bonds”). The Series 2026 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 2026 Bonds is payable semi-annually on May 1 and November 1 of each year, commencing _____ 1, 2026. The purchase price for the Series 2026 Bonds shall be \$ _____ (representing the aggregate par amount of the Series 2026 Bonds of \$ _____, [less/plus] [net] [original issue discount/premium] of \$ _____, and less an Underwriter’s discount of \$ _____).

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

2. The Series 2026 Bonds. The Series 2026 Bonds are authorized and issued pursuant to the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended, any successor statute thereto, the Florida Constitution, and other applicable provisions

of law (collectively, the “Act”), and Ordinance No. 2025-010 of the Board of County Commissioners of Sarasota County, Florida (the “County”), enacted on April 22, 2025, and effective on April 23, 2025. The District was established for the purposes, among other things, of financing and managing the acquisition, construction, installation, maintenance and operation of the major infrastructure necessary for community development in Esplanade at Wellen Park, located within its boundaries. The Series 2026 Bonds are being issued pursuant to the Act and a Master Trust Indenture, to be dated as of _____ 1, 2026 (the “Master Indenture”) and entered into between the District and U.S. Bank Trust Company, National Association, as trustee (the “Trustee”), as supplemented with respect to the Series 2026 Bonds by a First Supplemental Trust Indenture to be dated as of _____ 1, 2026, and entered into between the District and the Trustee (the “First Supplemental Indenture,” and, together with the Master Indenture, the “Indenture”), and Resolution 2025-25 adopted by the District on August 19, 2025, as supplemented by Resolution 2026-2 adopted by the District on February 10, 2026 (collectively, the “Bond Resolution”), authorizing the issuance of the Series 2026 Bonds. The principal of and interest on the Series 2026 Bonds are payable from and secured by the Series 2026 Trust Estate, which is comprised of the Series 2026 Pledged Revenues and the Series 2026 Pledged Funds. The Series 2026 Pledged Revenues consist primarily of the revenues derived by the District from the collection of non ad-valorem special assessments levied against certain residential lands in the District designated as Assessment Area One (“Assessment Area One”) that are subject to assessment as a result of the Series 2026 Project (as hereinafter defined) or any portion thereof (the “Series 2026 Assessments”). The Series 2026 Assessments will be levied by the District pursuant to resolutions duly adopted or to be adopted by the Board of Supervisors of the District (the “Board”) prior to the issuance of the Series 2026 Bonds (collectively, the “Assessment Resolution”). The Series 2026 Bonds shall be as described in, and shall be issued and secured pursuant to, the provisions of the Indenture. The Issuer will also enter into (or has entered into): (a) a Continuing Disclosure Agreement with Taylor Morrison of Florida, Inc. (the “Developer”) and Disclosure Services, LLC, as dissemination agent (the “Continuing Disclosure Agreement”); (b) a Collateral Assignment Agreement (2026 Bonds) with the Developer (the “Collateral Assignment”); (c) a Completion Agreement (2026 Bonds) with the Developer (the “Completion Agreement”); (d) a True-Up Agreement (2026 Bonds) (the “True-Up Agreement”); (e) an Acquisition Agreement with the Developer (the “Acquisition Agreement”); and (f) this Bond Purchase Agreement. For purposes hereof, this Bond Purchase Agreement, the Indenture, the Continuing Disclosure Agreement, the Collateral Assignment, the Completion Agreement, the True-Up Agreement and the Acquisition Agreement, are referred to herein collectively as the “Financing Documents.”

The Series 2026 Bonds are being issued to: (i) finance a portion of the Cost of acquiring, constructing and equipping certain public assessable infrastructure and public improvements comprising a portion of the District’s Capital Improvement Program (the “Series 2026 Project”), as more particularly described in the Limited Offering Memorandum; (ii) pay certain costs associated with the issuance of the Series 2026 Bonds; (iii) make a deposit into the Series 2026 Reserve Account to be held for the benefit of all of the Series 2026 Bonds, without privilege or

priority of one Series 2026 Bond over another; and (iv) pay a portion of the interest to become due on the Series 2026 Bonds.

3. Delivery of Limited Offering Memorandum and Other Documents. (a) Prior to the date hereof, the Issuer provided to the Underwriter for its review the Preliminary Limited Offering Memorandum, dated _____, 2026 (the "Preliminary Limited Offering Memorandum"), that the Issuer 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 "Rule") in connection with the pricing of the Series 2026 Bonds. The Issuer hereby confirms that the Preliminary Limited Offering Memorandum was deemed final as of its date, except for the Permitted Omissions, in reliance, in part, on certain certifications of the Developer delivered as of the date of the Preliminary Limited Offering Memorandum.

(b) The Issuer shall deliver, or cause to be delivered, at its expense, to the Underwriter within seven (7) business days after the date hereof or use good faith to deliver within such shorter period as may be requested by the Underwriter and at least three (3) business days prior to the date the Series 2026 Bonds are delivered to the Underwriter, or within such other period as the Underwriter may inform the Issuer 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 (i) sufficient copies of the final Limited Offering Memorandum ("Limited Offering Memorandum") to enable the Underwriter to fulfill its obligations pursuant to the securities laws of Florida and the United States, in form and substance satisfactory to the Underwriter, and (ii) an executed counterpart or certified copy of the Limited Offering Memorandum and the Indenture. In determining whether the number of copies to be delivered by the Issuer are reasonably necessary, at a minimum, the number shall be determined by the Underwriter and conveyed to the Issuer as shall be sufficient to enable the Underwriter to comply with the requirements of the 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 Issuer 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 2026 Bonds. The Underwriter agrees that it will not confirm the sale of any Series 2026 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 (i) ninety (90) days from the "end of the underwriting period" (as defined in the Rule), or (ii) the time when the Limited Offering Memorandum is available to any person from the MSRB (but in no case less than twenty-five (25) days following the end of the underwriting period), if the Issuer 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 the light of the circumstances under which they were made, not misleading, the Issuer shall notify the Underwriter and if, in the reasonable opinion of the Issuer or the reasonable opinion of the Underwriter, such event requires the preparation and publication of an amendment or supplement to the Limited Offering Memorandum, the Issuer, at its expense (unless such event was caused by the Underwriter), 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 2026 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 Issuer 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 2026 Bonds are hereinafter included within the term "Limited Offering Memorandum."

4. Authority of the Underwriter. The Underwriter is duly authorized to execute this Bond 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 thirty-six (36) months, as all such terms are defined in Section 287.133, Florida Statutes, as amended.

5. Offering and Sale of Bonds; Establishment of Issue Price. (a) The Underwriter agrees to make a bona fide limited offering to "accredited investors" representing the general public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriter or wholesalers) of all of the Series 2026 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 2026 Bonds to certain bond houses, brokers or to similar persons or organizations acting in the capacity of underwriters or wholesalers at prices lower than the public offering prices set forth in Exhibit A hereto, and (ii) change such initial offering prices (or yields) as the Underwriter deems necessary in connection with the marketing of the Series 2026 Bonds. The Issuer hereby authorizes the Underwriter to use the Limited Offering Memorandum in connection with the public offering and sale of the Series 2026 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 public offering and sale.

(b) The Underwriter agrees to assist the Issuer in establishing the issue price of the Series 2026 Bonds and shall execute and deliver to the Issuer at Closing (as hereinafter defined) an "issue price" or similar certificate (the "Issue Price Certificate"), together with the supporting pricing wire or equivalent communication, substantially in the form attached hereto as Exhibit I, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the Issuer and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Series 2026 Bonds.

(c) Except as otherwise set forth in the Issue Price Certificate, the Issuer will treat the first price at which 10% of each maturity of the Series 2026 Bonds (the "10% test") is sold to the public as of the Sale Date (as defined in the Issue Price Certificate) as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% test). At or promptly after the execution of this Bond Purchase Agreement, the Underwriter shall report to the Issuer the price or prices at which it has sold to the public each maturity of Series 2026 Bonds. If at that time the 10% test has not been satisfied as to any maturity of the Series 2026 Bonds, the Underwriter agrees to promptly report to the District the prices at which it sells the unsold Series 2026 Bonds of that maturity to the public. That reporting obligation shall continue, whether or not the Closing Date (as defined below) has occurred, until the 10% test has been satisfied as to the Series 2026 Bonds of that maturity or until all Series 2026 Bonds of that maturity have been sold to the public.

(d) The Underwriter confirms that it has offered the Series 2026 Bonds to the public on or before the date of this Bond Purchase Agreement at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in Schedule A of Exhibit I to the Issue Price Certificate attached hereto, except as otherwise set forth therein. Schedule A to the Issue Price Certificate attached hereto also sets forth, as of the date of this Bond Purchase Agreement, the maturities, if any, of the Series 2026 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 2026 Bonds, the Underwriter will neither offer nor sell unsold Series 2026 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 2026 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 2026 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.

(e) The Underwriter confirms that there will not be any selling group agreements or any third-party distribution agreements relating to the initial sale of the Series 2026 Bonds to the public.

(f) The Underwriter acknowledges that sales of any Series 2026 Bonds to any person that is a related party to the Underwriter shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

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

(2) a purchaser of any of the Series 2026 Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

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

6. Issuer Representations, Warranties, Covenants and Agreements. The Issuer represents and warrants to and covenants and agrees with the Underwriter that, as of the date hereof and as of the date of the 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: (i) adopt the Bond Resolution and, subject to completion of the necessary proceedings, the Assessment Resolution; (ii) enter into the Financing Documents; (iii) sell, issue and deliver the Series 2026 Bonds to the Underwriter as provided herein; (iv) apply the proceeds of the sale of the Series 2026 Bonds for the purposes described in the Limited Offering Memorandum; (v) authorize the distribution of the Preliminary Limited Offering Memorandum and execution of the Limited Offering Memorandum; (vi) carry out and consummate the transactions contemplated by the Bond Resolution, the Assessment Resolution, the Financing Documents and the Limited Offering Memorandum; (vii) undertake the completion or acquisition of the Series 2026 Project; and (viii) levy and collect the Series 2026 Assessments that will secure the Series 2026 Bonds subject to completion of the necessary proceedings. The Issuer has complied, and at the Closing will be in compliance in all respects, with the terms of the Act and with the obligations on its part contained in the Financing Documents and the Series 2026 Bonds.

(b) The District has complied with, and at Closing will be in compliance in all material respects, with the Bond Resolution, the Assessment Resolution, the Act, and the Constitution and laws of the State of Florida in all matters relating to the Financing Documents and the Series 2026 Bonds, and the imposition, and levy and collection of the Series 2026 Assessments.

(c) The District has duly authorized and approved, or by Closing will have duly authorized and approved, (1) the execution and delivery, or adoption, as the case may be, and

performance of the Financing Documents, the Bond Resolution, the Assessment Resolution and the Series 2026 Bonds, (2) the use and distribution of the Preliminary Limited Offering Memorandum and the execution, 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 Financing Documents, the Bond Resolution, the Assessment Resolution, the Series 2026 Bonds and the Limited Offering Memorandum.

(d) Each of the Financing Documents constitutes, or will constitute at Closing, a legally valid and binding obligation of the District enforceable in accordance with its terms, and, upon due authorization, execution and delivery hereof and thereof by the parties hereto and thereto, will constitute the legal, 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 Bond Purchase Agreement, the Series 2026 Bonds will have been duly authorized, executed, authenticated, issued and delivered and will constitute legal, 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 2026 Bonds as aforesaid, the Indenture will provide, for the benefit of the holders from time to time of the Series 2026 Bonds a legally valid and binding pledge of and a security interest in and to the Series 2026 Trust Estate pledged to the Series 2026 Bonds subject only to the provisions of the Indenture permitting the application of such Series 2026 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 made simultaneously with the issuance of the Series 2026 Bonds, is required to be obtained by the District in connection with the issuance and sale of the Series 2026 Bonds, or the execution and delivery by the District of, or the due performance of its obligations under the Financing Documents and the Series 2026 Bonds, and any such approvals, permits, consents or authorizations so obtained are in full force and effect.

(h) 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 to the extent executed prior to the date hereof, the Series 2026 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.

(i) The execution and delivery by the District of the Financing Documents, the Series 2026 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 2026 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 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 Financing Documents, the Series 2026 Bonds or the proceedings relating to the Series 2026 Assessments, (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 2026 Bonds, the Financing Documents, the Series 2026 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 2026 Bonds, (6) the exemption under the Act of the Series 2026 Bonds and the interest thereon from taxation imposed by the State of Florida, (7) the legality of investment in the Series 2026 Bonds for certain investors as provided in the Act, (8) the issuance, sale or delivery of the Series 2026 Bonds, or (9) the collection of the Series 2026 Assessments and the pledge thereof under the Indenture to pay the principal or premium, if any, or interest on the Series 2026 Bonds.

(k) Other than as stated in the Limited Offering Memorandum, the District has not issued, assumed or guaranteed any indebtedness, incurred any material liabilities, direct or contingent, or entered into any contract or arrangement of any kind payable from or secured by a pledge of the Series 2026 Trust Estate pledged to the Series 2026 Bonds with a lien thereon prior to or on a parity with the lien of the Series 2026 Bonds.

(l) Between the date of this Bond Purchase Agreement and the date of the 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 Bond Purchase Agreement nor any statement, certificate, document or exhibit furnished to or to be furnished by the District pursuant to this Bond 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 the 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 or the Underwriter.

(o) 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 _____, 2026, or at such earlier or later time or date to which the Issuer and the Underwriter may mutually agree, the Issuer will, subject to the terms and conditions hereof, deliver the Series 2026 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 purchase price of the Series 2026 Bonds as set forth in Paragraph 1 hereof (such delivery of and payment for the Series 2026 Bonds is herein called the "Closing"). The Issuer shall cause CUSIP identification numbers to be printed on the Series 2026 Bonds, but neither the failure to print such number on any Series 2026 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 2026 Bonds in accordance with the terms of this Bond Purchase Agreement. The Closing shall occur at the offices of the Issuer, or such other place to which the Issuer and the Underwriter shall have mutually agreed. The Series 2026 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 ("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 2026 Bonds.

8. Closing Conditions. The Underwriter has entered into this Bond Purchase Agreement in reliance upon the representations, warranties 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 the Closing. Accordingly, the Underwriter's obligations under this Bond Purchase Agreement to cause the purchase, acceptance of delivery and payment for the Series 2026 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 the 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 Bond Purchase Agreement and the Indenture as of the date of Closing;

(b) At the Closing, (1) the Financing Documents and the Series 2026 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 2026 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 2026 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) The Bond Resolution and the Assessment Resolution, certified by the Secretary of the Board of the District under its seal as a true and correct copy and as having been adopted with only such amendments, modifications or supplements as may have been approved by the Underwriter;

(2) The proceedings relating to the levy of the Series 2026 Assessments, certified by the Secretary of the Board as true and correct copies;

(3) The Limited Offering Memorandum, executed on behalf of the District by the Chair ("Chair") or Vice Chair ("Vice Chair") of the Board, and each supplement or amendment, if any, thereto;

(4) A certificate of the District, dated the date of Closing, signed on its behalf by the Chair or Vice Chair and the Secretary or any Assistant Secretary of its Board of Supervisors, in substantially the form of Exhibit C hereto, which may be in the form of two certificates;

(5) An opinion, dated the date of Closing, of Holland & Knight LLP, West Palm Beach, Florida, Bond Counsel, substantially in the form attached as an Appendix to the Limited Offering Memorandum with a reliance letter stating that the Underwriter may rely on such opinion;

(6) A supplemental opinion addressed to the Issuer and Underwriter, dated the date of Closing, of Bond Counsel to the effect that (i) the Series 2026 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; (ii) Bond Counsel has reviewed the statements contained in the Limited Offering Memorandum under the captions "DESCRIPTION OF THE SERIES 2026 BONDS" (other than the last paragraph under "Redemption Provisions for Series 2026 Bonds – Extraordinary Mandatory Redemption in Whole or in Part," other than the portion thereof captioned "Book-Entry Only System" and other than any information therein relating to DTC and its system of book-entry registration as to which no opinion is expressed), "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2026 BONDS" (other than the last paragraph of the subcaption "General" and the subcaption "Developer Agreements" as to which no opinion is expressed), insofar as such statements purport to summarize certain provisions of the Indenture and the Series 2026 Bonds, constitute fair summaries of such provisions; and (iii) Bond Counsel has also reviewed the information contained in the Limited Offering Memorandum under the section captioned "TAX MATTERS" and are of the opinion that the statements contained therein are accurate;

(7) An opinion, dated the date of Closing, of Kutak Rock LLP, Tallahassee, Florida, District Counsel, in substantially the form of Exhibit D hereto;

(8) Copies of all of the Special Assessment Methodology Reports prepared by JPWard and Associates, LLC relating to the Series 2026 Assessments and a certificate from such firm in substantially the form attached hereto as Exhibit E;

(9) An opinion, dated the date of Closing, of Bryant Miller Olive P.A., Orlando, Florida, Counsel to the Underwriter (the "Underwriter's Counsel"), in form and substance satisfactory to the Underwriter;

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

(11) A certificate of the Developer, in substantially the form of the certificate included herein as Exhibit F, and an opinion of counsel to the Developer in substantially the form included herein as Exhibit G;

(12) Copies of all of the reports of the Consulting Engineer with respect to the Capital Improvement Program and the Series 2026 Project and a certificate from the

Consulting Engineer, in substantially the form attached hereto as Exhibit H dated the date of Closing and addressed to the District and the Underwriter;

(13) 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 2026 Bonds will be used in a manner that would cause the Series 2026 Bonds to be “arbitrage bonds” within the meaning of Section 148 of Internal Revenue Code of 1986, as amended;

(14) Specimen Series 2026 Bonds;

(15) A copy of the executed Letter of Representations between the District and DTC;

(16) Executed Financing Documents;

(17) Evidence of a final judgment of validation of the Bonds from the Circuit Court in and for Sarasota County, Florida and a related certificate of no appeal;

(18) Declaration(s) of Consent relating to the Series 2026 Assessments executed by the Developer; and

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

(20) 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 2026 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 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 Bond 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 payments for, the Series 2026 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 and delivery and payment for the Series 2026 Bonds contained in this Bond Purchase Agreement, or if the obligations of the Underwriter to cause the purchase, acceptance of delivery and payment of the Series 2026 Bonds shall be terminated for any reason permitted by this Bond Purchase Agreement, this Bond 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 11 hereof shall continue in full force and effect.

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

(a) the marketability of the Series 2026 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) (i) enacted or adopted by the United States, (ii) 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 Chair 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 (iii) 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 or the Internal Revenue Service of the United States, or any comparable legislative, judicial or administrative development affecting the federal tax status of the Issuer, its property or income, obligations of the general character of the Series 2026 Bonds, as contemplated hereby, or the interest thereon; or

(b) any legislation, rule, or regulations 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 2026 Bonds or the sale, at the contemplated offering prices, by the Underwriter of the Series 2026 Bonds to be purchased by it; or

(c) any amendment to the Limited Offering Memorandum is proposed by the Issuer 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 2026 Bonds or the sale, at the contemplated offering prices, by the Underwriter of the Series 2026 Bonds to be purchased by it; or

(d) there shall have occurred any outbreak or escalation of hostility, declaration by the United States of a national emergency or war or other calamity or crisis the effect of which on financial markets is such as to make it, in the sole judgment of the Underwriter, impractical or inadvisable to proceed with the offering or delivery of the Series 2026 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 2026 Bonds to be registered under the Securities Act of 1933, as amended, or the Indenture to be qualified under the Trust Indenture Act of 1939, as amended, 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 of America 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 2026 Bonds shall have been proposed, issued or made (which is beyond the control of the Underwriter or the Issuer to prevent or avoid) to the effect that the issuance, offering or sale of the Series 2026 Bonds as contemplated hereby or by the Limited Offering Memorandum, or any document relating to the issuance, offering or sale of the Series 2026 Bonds is or would be in violation of any of the federal securities laws at Closing, including the Securities Act of 1933, as amended and then in effect, the Securities Exchange Act of 1934, as amended and then in effect, or the Trust Indenture Act of 1939, as amended and then in effect, or with the purpose or effect of otherwise prohibiting the offering and sale of obligations of the general character of the Series 2026 Bonds, or the Series 2026 Bonds, as contemplated hereby and in the reasonable judgment of the Underwriter the market for the Series 2026 Bonds is materially affected thereby; 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 Issuer or proceedings under the federal or State of Florida bankruptcy laws shall have been instituted by the Issuer, in either case the effect of which, in the reasonable judgment of the Underwriter, is such as to materially and adversely affect (i) the market price or the marketability of the Series 2026 Bonds, or (ii) the ability of the Underwriter to enforce contracts for the sale of the Series 2026 Bonds; or

(h) a general banking moratorium shall have been declared by the United States, New York or Florida authorities, which in the reasonable opinion of the Underwriter, materially adversely affects the market for the Series 2026 Bonds or the sale, at the contemplated offering prices, by the Underwriter of the Series 2026 Bonds to be purchased by it; or

(i) any national securities exchange, or any governmental authority, shall impose, as to the Series 2026 Bonds or obligations of the general character of the Series 2026 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 2026 Bonds or the sale, at the contemplated offering prices, by the Underwriter of the Series 2026 Bonds to be purchased by it; or

(j) legal action shall have been filed against the Issuer wherein an adverse ruling would materially adversely affect the transactions contemplated hereby or by the Limited Offering Memorandum or the validity of the Series 2026 Bonds, the Bond Resolution, the Assessment Resolution, the Indenture, the Continuing Disclosure Agreement or this Bond Purchase Agreement; provided, however, that as to any such litigation, the Issuer may request and the Underwriter may accept an opinion by Bond Counsel, or of 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 Issuer'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 Issuer, the Issuer 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 the 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 2026 Bonds or the contemplated offering prices thereof and upon the receipt of notice by the Issuer, the Issuer fails to promptly amend or supplement the Limited Offering Memorandum; or

(n) the IRS makes a determination with respect to any special purpose development district formed under State law (referred to herein as a "Special District") deeming that all or certain of such Special Districts are not a "political subdivision" for purposes of Section 103(a) of the 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 2026 Bonds or the contemplated offering prices thereof; or

(o) the District fails to adopt the Assessment Resolution or fails to perform any action to be performed by it in connection with the levy of the Series 2026 Assessments to the extent required to be performed prior to the issuance of the Series 2026 Bonds to levy the Series 2026 Assessments.

10. Expenses.

(a) The District agrees to pay from the proceeds of the Series 2026 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 Bond 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, JP Ward and Associates, LLC, as Assessment Consultant, Atwell, LLC, 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 Underwriter's Counsel, (4) the fees and disbursements of the Trustee, Bond Registrar and Paying Agent under the Indenture; and (5) out-of-pocket expenses of the District.

(b) The Underwriter shall pay (1) the cost of qualifying the Series 2026 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, including advertising, incurred by them in connection with their offering and distribution of the Series 2026 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. No Advisory or Fiduciary Role. The District acknowledges and agrees that (i) the purchase and sale of the Series 2026 Bonds pursuant to this Bond Purchase Agreement is an arm's-length commercial transaction between the District and the Underwriter, (ii) 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, (iii) 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 Bond Purchase Agreement, (iv) 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 2026 Bonds, (v) the Underwriter has financial and other interests that differ from those of the District, and (vi) the District has received the Underwriter's G-17 Disclosure Letter.

12. 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: Esplanade at Wellen Park
Community Development District
c/o JPWard and Associates, LLC
2301 Northeast 37th Street
Fort Lauderdale, Florida 33308
Attn: James P. Ward
Phone: (954) 658-4900

Copy to: Kutak Rock LLP
107 West College Avenue
Tallahassee, Florida 32301
Attn: Jere L. Earlywine, Esq.

13. Parties in Interest. This Bond Purchase Agreement is made solely for the benefit of the Issuer and the Underwriter (including the successors or assignees of the Issuer 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 Bond Purchase Agreement shall remain operative and in full force and effect, regardless of: (i) any investigations made by or on behalf of the Underwriter; (ii) the delivery of and payment for the Series 2026 Bonds pursuant to this Bond Purchase Agreement; or (iii) any termination of this Bond Purchase Agreement but only to the extent provided by the last paragraph of Section 8 hereof.

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

15. Effectiveness. This Bond Purchase Agreement shall become effective upon the execution of the acceptance hereof by the Chair or Vice Chair or upon their absence any member of the Board and shall be valid and enforceable at the time of such acceptance.

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

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

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

19. 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 Issuer is proposing to issue the Series 2026 Bonds for the purposes described in Section 2 hereof. The Series 2026 Bonds are expected to be repaid over a period of approximately ___ years. At a true interest cost rate of approximately _____%, total interest paid over the life of the Series 2026 Bonds will be approximately \$_____.

(b) The source of repayment for the Series 2026 Bonds is the Series 2026 Trust Estate (as described in Section 2 hereof). Authorizing the Series 2026 Bonds will result in a maximum of approximately \$_____ not being available to finance other services of the Issuer every year for approximately ___ years; provided however, that in the event the Series 2026 Bonds are not issued, the District would not be entitled to impose and collect the Series 2026 Assessments in the amount of the principal of and interest on the Series 2026 Bonds. In light of the foregoing, the issuance of the Series 2026 Bonds is not estimated to result in a reduction of revenues of the District being available to finance other services of the District during the life of the Series 2026 Bonds.

[Remainder of page intentionally left blank]

20. Entire Agreement. This Bond 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 Issuer and the Underwriter (including the successors or assigns of the Issuer or the Underwriter). No other person shall acquire or have any right hereunder or by virtue hereof.

Very truly yours,

MBS CAPITAL MARKETS, LLC

Brett Sealy, Managing Partner

Accepted by:

**ESPLANADE AT WELLEN PARK COMMUNITY
DEVELOPMENT DISTRICT**

John Wollard, Chair

EXHIBIT A

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

[To come]

REDEMPTION PROVISIONS FOR THE SERIES 2026 BONDS

[To come]

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

EXHIBIT B

ESPLANADE AT WELLEN PARK COMMUNITY DEVELOPMENT DISTRICT
(Sarasota County, Florida)

\$ _____
Capital Improvement Revenue Bonds, Series 2026

DISCLOSURE STATEMENT

_____, 2026

Esplanade at Wellen Park Community Development District
Sarasota County, Florida

Ladies and Gentlemen:

Pursuant to Chapter 218.385, Florida Statutes, and with respect to the issuance of the above-referenced Series 2026 Bonds (collectively, the "Bonds"), MBS Capital Markets, LLC (the "Underwriter"), having purchased the above-captioned Bonds pursuant to a Bond Purchase Agreement dated _____, 2026 (the "Purchase Agreement") between the Underwriter and Esplanade at Wellen Park Community Development District (the "District"), makes the following disclosures in connection with the limited public offering and sale of the Bonds:

(a) The total underwriting discount paid to the Underwriter pursuant to the Purchase Agreement is \$ _____ (____%).

(b) The total amount of expenses estimated to be incurred by the Underwriter in connection with the issuance of the Series 2026 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 2026 Bonds.

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

	<u>Per \$1,000</u>	
Management Fee:		or
Takedown:		or
Expenses:	_____	or _____

(e) There are no other fees, bonuses, or other compensation estimated to be paid by the Underwriter in connection with the 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, as amended.

Very truly yours,

MBS CAPITAL MARKETS, LLC

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

EXHIBIT C

CERTIFICATE OF DISTRICT

The undersigned, as Chair and Secretary, respectively, of the Board of Supervisors of Esplanade at Wellen Park 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, as amended (the "Act"), hereby certify to MBS Capital Markets, LLC (the "Underwriter") in satisfaction of Section 8(c)(4) of the Bond Purchase Agreement, dated _____, 2026, with the District (the "Bond Purchase Agreement") in connection with the issuance by the District of its \$_____ Capital Improvement Revenue Bonds, Series 2026 (the "Bonds"), as follows (terms used and not otherwise defined herein shall have the meaning ascribed to such terms in the Bond Purchase Agreement):

1. John Wollard is the duly appointed and acting Chair of, and James P. Ward is the duly appointed and acting Secretary to, the Board of Supervisors of the District, authorized by resolution of the Board of Supervisors of the District 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 or appointed, qualified and acting members of the Board of Supervisors of the District:

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
John Wollard	Chair	November 2029
Ron Schwied	Vice Chair	November 2029
Bryan Hughes	Assistant Secretary	November 2027
Adam Dirkhising	Assistant Secretary	November 2027
Erik van Schaik	Assistant Secretary	November 2027

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 of Supervisors of the District 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.

3. The seal, an impression of which appears below, was duly adopted by the District as its official seal and is the only legally adopted, proper and official seal of the District.

4. The Board of Supervisors of the District, at duly called and held meetings of the Board of Supervisors of the District on August 19, 2025, and February 10, 2026, duly adopted Resolutions 2025-25 and 2026-2, respectively (collectively, the "Bond Resolution"), which Bond Resolution remains in full force and effect on the date hereof.

5. The Board of Supervisors of the District, at duly called and held meetings of the Board of Supervisors of the District on August 19, 2025, October 14, 2025, _____, 2026, and _____, 2026, duly adopted Resolutions 2025-24, 2026-1, 2026-__ and 2026-__, respectively (collectively, the "Assessment Resolution"), which Assessment Resolution remains in full force and effect on the date hereof. Such Assessment Resolution, if required to be published by Florida law, have been published in accordance with the requirements of Florida law.

6. The District has complied in all material respects with the provisions of Chapters 170, 190 and 197, Florida Statutes, related to the imposition, levy, collection and enforcement of the Series 2026 Assessments.

7. Upon authentication and delivery of the 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 with respect to the Bonds.

8. Each of the representations and warranties made by the District in the Bond Purchase Agreement is, to the best of our knowledge and belief, true and accurate on and as of this date.

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

10. To the best of our knowledge, since the date of the Limited Offering Memorandum, no material and adverse change has occurred in the business, properties, other assets and 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.

11. 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 the information concerning The Depository Trust Company or its book-entry only system or the information under the captions "ASSESSMENT METHODOLOGY AND ALLOCATION OF ASSESSMENTS" (as to the fourth paragraph only), "THE DEVELOPMENT," "THE DEVELOPER," "LITIGATION – The Developer," or "CONTINUING DISCLOSURE – Developer Continuing Compliance" (collectively, the "Excluded Information"). Subject to the foregoing limitations, nothing has come to our attention which would lead us to believe that the Excluded Information in 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.

12. Except as set forth in the Limited Offering Memorandum, no litigation or other proceedings are pending, or to the knowledge of the District threatened, against the District 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 any of the Bonds or the imposition, levy and collection of the Series 2026 Assessments or the pledge thereof to the payment of the principal of and premium, if any, and interest on the Bonds, (b) questioning or affecting the validity of any provision of the Bonds, the Bond Resolution, the Assessment Resolution, the Series 2026 Assessments or the Financing Documents, as those documents are defined in the Bond Purchase Agreement, (c) questioning or affecting the validity of any of the proceedings or the authority for the authorization, sale, execution or delivery of the 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 Series 2026 Assessments, (f) contesting the accuracy or completeness of the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum, (g) contesting the exclusion of interest on the Bonds from federal income taxation, or (h) contesting the exemption from taxation of the Bonds and the interest thereon under Florida law or the legality for investment therein.

IN WITNESS WHEREOF, we have hereunder set our hands this ____ day of _____
2026.

John Wollard, Chair, Board of Supervisors
Esplanade at Wellen Park Community
Development District

James P. Ward, Secretary, Board of Supervisors
Esplanade at Wellen Park Community
Development District

EXHIBIT D

FORM OF DISTRICT COUNSEL OPINION

_____, 2026

Esplanade at Wellen Park Community Development District
Sarasota County, Florida

MBS Capital Markets, LLC
Winter Park, Florida

U.S. Bank Trust Company, National Association, as Trustee
Fort Lauderdale, Florida
(solely for reliance upon Sections C.1, C.2 and C.3.)

Re: \$_____ Esplanade at Wellen Park Community Development District
(Sarasota County, Florida) Capital Improvement Revenue Bonds, Series 2026

Ladies and Gentlemen:

We serve as counsel to the Esplanade at Wellen Park Community Development District (“**District**”), a local unit of special-purpose government established pursuant to the laws of the State of Florida, in connection with the sale by the District of its \$_____ Esplanade at Wellen Park Community Development District (Sarasota County, Florida) Capital Improvement Revenue Bonds, Series 2026 (the “**Bonds**”). This letter is delivered to you pursuant to Section 207(iii) of the Master Indenture (defined below), Section 207(d) of the First Supplemental Trust Indenture (defined below) and Section 8(c)(7) of the Bond Purchase Agreement (referenced below), and is effective as of the date first written above. Each capitalized term not otherwise defined herein has the meaning given it to it in the Indenture (defined herein).

A. DOCUMENTS EXAMINED

In rendering the opinions set forth below, we have examined and/or relied upon the following documents and have made such examination of law as we have deemed necessary or appropriate:

1. Ordinance 2025-010, enacted by the Board of County Commissioners of Sarasota County, Florida (the “**County**”), which was effective on April 23, 2025 (“**Establishment Ordinance**”);
2. the *Master Trust Indenture*, dated as of _____ 1, 2026 (“**Master Indenture**”), as supplemented with respect to the Bonds by a *First Supplemental Trust Indenture*,

- dated as of _____ 1, 2026 (“**First Supplemental Trust Indenture**,” and together with the Master Indenture, the “**Indenture**”), each by and between the District and U.S. Bank Trust Company, National Association, as trustee (“**Trustee**”);
3. Resolutions 2025-25 and 2026-2 adopted by the District on August 19, 2025, and February 10, 2026, respectively (together, “**Bond Resolution**”);
 4. the *First Supplemental Engineer’s Report* dated January 13, 2026 (“**Engineer’s Report**”), which describes among other things, the “**Series 2026 Project**,”
 5. the *Final Supplemental Special Assessment Methodology Report – Series 2026 Bonds* dated _____, 2026 (“**Assessment Methodology**”);
 6. Resolutions 2025-24, 2026-1, 2026-__ and 2026-__ (collectively, “**Assessment Resolution**”), establishing the debt service special assessments (“**Debt Assessments**”) securing the Bonds;
 7. the *Final Judgment* issued on November 6, 2025, and by the Circuit Court for the Twelfth Judicial Circuit in and for Sarasota County, Florida in Case No. 2025 CA 004364 NC, and Certificate of Clerk issued on December __, 2025;
 8. the Preliminary Limited Offering Memorandum dated _____, 2026 (“**PLOM**”) and Limited Offering Memorandum dated _____, 2026 (“**LOM**”);
 9. certain certifications by MBS Capital Markets, LLC (“**Underwriter**”), as underwriter to the sale of the Bonds;
 10. certain certifications of Atwell, LLC, as “**District Engineer**”;
 11. certain certifications of JPWard and Associates, LLC, as “**District Manager**” and “**Assessment Consultant**”;
 12. general and closing certificate of the District;
 13. opinions of Holland & Knight LLP (“**Bond Counsel**”), issued to the District in connection with the sale and issuance of the Bonds;
 14. an opinion of Squire Patton Boggs (“**Trustee Counsel**”) issued to the Trustee, District and Underwriter in connection with the sale and issuance of the Bonds;
 15. an opinion of J. Wayne Crosby, P.A., counsel of the Developer (defined herein), issued to the District and the Underwriter in connection with the sale and issuance of the Bonds;
 16. the following agreements (“**Bond Agreements**”):
 - (a) the Continuing Disclosure Agreement, dated _____, 2026, and by and among the District, Taylor Morrison of Florida, Inc. (“**Developer**”) and a dissemination agent;
 - (b) the Bond Purchase Agreement between Underwriter and the District and dated _____, 2026 (“**BPA**”);
 - (c) the Acquisition Agreement between the District and the Developer and dated _____, 2026;
 - (d) the Completion Agreement (2026 Bonds), between the District and the Developer and dated _____, 2026;
 - (e) the True-Up Agreement (2026 Bonds), between the District and the Developer and dated _____, 2026; and

- (f) the Collateral Assignment Agreement (2026 Bonds), between the District and the Developer and dated _____, 2026.
- 17. a Declaration of Consent Esplanade at Wellen Park Community Development District (2026 Bonds) executed by the Developer (“**Declaration of Consent**”); and
- 18. such other documents as we have deemed necessary or appropriate in rendering the opinions set forth below.

We have also attended various meetings of the District and have participated in conferences from time to time with representatives of the District, the District Engineer, the District Manager and Assessment Consultant, the Underwriter, Bond Counsel, counsel to the Underwriter, the Developer, counsel to the Developer, and others relative to the LOM and the related documents described herein.

B. RELIANCE

This opinion is solely for the benefit of (i) the District; (ii) the Underwriter; and (iii) the Trustee provided however that the Trustee may only rely on this opinion for the limited purposes of the opinions stated in Sections C.1, C.2, and C.3. Notwithstanding the foregoing, no attorney-client relationship has existed or exists between the undersigned and the Underwriter or Trustee in connection with the Bonds by virtue of this opinion. This opinion may not be relied on by any other party or for any other purpose without our prior written consent.

C. OPINIONS

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

1. **Authority** – Under the Florida Constitution and laws of the State, the District has been duly established and validly exists as a local unit of special purpose government and a community development district under Chapter 190, *Florida Statutes* (“**Act**”), with such powers as set forth in the Act, and with good, right and lawful authority: (a) to enter into and to consummate the transactions contemplated by the Bond Resolution, the Assessment Resolution, the Indenture, the Bonds and the Bond Agreements; (b) to issue the Bonds for the purposes for which they are issued; (c) to impose, levy, collect and enforce the Debt Assessments and pledge the Series 2026 Pledged Revenues to secure the Bonds as provided in the Indenture; (d) to adopt the Bond Resolution and the Assessment Resolution; and (e) to perform its obligations under the terms and conditions of the Bond Resolution, the Assessment Resolution, the Bond Agreements, the Bonds and the Indenture.

2. **Assessments** – The proceedings by the District with respect to the Debt Assessments have been in accordance with Florida law. The District has taken all action necessary to authorize and execute the Assessment Resolution and to levy and impose the Debt Assessments, as set forth in the Assessment Resolution, Assessment Methodology, and/or other applicable documents. The Debt Assessments constitute legal, valid, binding and enforceable

first liens upon the property against which such Debt Assessments are assessed, co-equal with the lien of all state, county, district and municipal taxes and assessments, and superior in dignity to all other liens, titles and claims, until paid.

3. **Agreements** – The (a) Bond Resolution, (b) Bonds, (c) Indenture, and (d) Bond Agreements (assuming due authorization, execution and delivery of documents (b) – (d) listed herein by any parties thereto other than the District) have been duly and validly authorized, executed and delivered by the District, have been duly approved and adopted and/or issued by the District, are in full force and effect, constitute legal, valid and binding obligations of the District, and are enforceable against the District in accordance with their respective terms. All conditions prescribed in the Indenture as precedent to the issuance of the Bonds have been fulfilled.

4. **Validation** – The Bonds have been validated by a final judgment of the Circuit Court in and for Sarasota County, Florida, of which no timely appeal was filed.

5. **Governmental Approvals** – As of the date hereof, all necessary consents, approvals, waivers or other actions by or filings with any governmental authority or other entity that are required for: (a) the adoption of the Bond Resolution and the Assessment Resolution; (b) the issuance, sale, execution and delivery of the Bonds upon the terms set forth in the BPA, PLOM, and LOM; (c) the execution and delivery of the Indenture and Bond Agreements; and (d) the performance by the District of the transactions required hereby, have been duly obtained or made and are in full force and effect.

6. **PLOM and LOM** – The District has duly authorized the execution, delivery and distribution by the Underwriter of the PLOM and LOM. To our knowledge, and based upon our review of the PLOM and LOM and without having undertaken to determine independently the accuracy, completeness or fairness of the statements contained in the PLOM and LOM, and as of the date of their respective issuances, and with respect to the PLOM, the date of the PLOM, and with respect to the LOM, the date hereof, nothing has come to our attention which would lead us to believe that the PLOM and LOM contain an untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading, provided however that the opinions stated herein extend only to the following provisions of the PLOM and LOM: “THE DISTRICT” (excluding the subcaption, - “District Manager and Other Consultants”), “SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2026 BONDS – Developer Agreements,” “ENFORCEMENT OF ASSESSMENT COLLECTIONS,” “VALIDATION,” “LITIGATION – the District” and “CONTINUING DISCLOSURE – District Continuing Compliance” and further provided however that the opinions stated herein do not extend to any statements that constitute descriptions of the Bonds or the Indenture. No information or opinion is offered as to any remaining provisions of the PLOM or LOM.

7. **Litigation** – Based on inquiry of the District’s Registered Agent, there is no litigation pending or, to the best of our knowledge, threatened against the District: (a) seeking to

restrain or enjoin the issuance or delivery of the Bonds or the application of the proceeds thereof, or the imposition, levy or collection of the Debt Assessments or the Series 2026 Pledged Revenues pledged for the payment of the debt service on the Bonds; (b) contesting or affecting the authority for the Debt Assessments, the authority for the issuance of the Bonds or the validity or enforceability of the Bonds, the Indenture, the Bond Agreements or the transactions contemplated thereunder; (c) contesting or affecting the establishment or existence of the District or any of its Supervisors, officers or employees, its assets, property or condition, financial or otherwise, or contesting or affecting any of the powers of the District, including its power to enter into the Indenture or the Bond Agreements, or its power to determine, assess, levy, collect and pledge the Debt Assessments for the payment of the debt service on the Bonds; or (d) specifically contesting the exclusion from federal gross income of interest on the Bonds.

8. ***Compliance with Laws*** – To the best of our knowledge, the District is not, in any manner material to the issuance of the Bonds or the Debt Assessments, in breach of or default under any applicable provision of the Act or constitutional provision, statute, or administrative regulation of the State of Florida, or any applicable judgment or decree, any loan agreement, indenture, bond, note, resolution, agreement (including the Bond Agreements and Indenture), or any other material instrument to which the District is a party or to which the District or any of its property or assets is otherwise subject, and to the best of our knowledge, no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute a material default or event of default by the District under any such instrument; provided, however, that no opinion is expressed as to compliance with any state or federal tax or securities laws.

9. ***Authority to Undertake the Project*** - The District has good right and lawful authority under the Act to undertake, finance, acquire, construct, own, and operate the Project, subject to obtaining such licenses, orders or other authorizations as are, at the date of such opinion, required to be obtained from any agency or regulatory body.

D. CERTAIN ASSUMPTIONS

In rendering the foregoing opinions, we have assumed the following: (1) that all public records, certifications, agreements and other documents examined by us that have been executed or certified by public officials acting within the scope of their official capacities are authentic, truthful and accurate; (2) that copies of such public records, certifications, agreements, and other documents furnished to us are authentic and conform to the originals; (3) that all signatures on executed public records, certifications, agreements and other documents are genuine; and (4) that all public records, certifications, agreements and other documents have been properly authorized and are binding on each of the other parties thereto. Such assumptions do not apply to District documents.

E. CERTAIN QUALIFICATIONS

The foregoing opinions are subject to the following qualifications:

1. The opinions or statements expressed above are based solely on the laws of Florida in effect at the time of issuance of the Bonds. Accordingly, we express no opinion nor make any statement regarding the effect or application of the laws of the federal government (including but not limited to the Internal Revenue Code or any proposed changes thereto), or any other state or other jurisdiction.

2. Our opinion as to enforceability of any document is subject to limitations imposed by bankruptcy, insolvency, reorganization, moratorium, liquidation, readjustment of debt, or similar laws, relating to or affecting creditors' rights generally and general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law), and to the exercise of judicial discretion in appropriate cases, including the fact that specific performance and other equitable remedies are granted only in the discretion of a court.

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

4. We further express no opinion as to the necessity for an interest rate waiver under Florida law, or the applicability of any provision or section of the Internal Revenue Code.

5. We express no opinion and make no representations with regard to financial, statistical or other similar information or data. We express no opinion as to compliance with any state or federal tax laws.

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

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

8. With respect to any of the opinions set forth in this letter which are based on or qualified by the phrase "to our knowledge," the words "to our knowledge" signify that, in the course of our representation of the District, no facts have come to our attention that would give us actual knowledge that any such opinions or other matters are not accurate. Except to the extent expressly set forth herein, we have not undertaken any independent investigation to determine the existence or absence of any such facts, and no inference as to our knowledge of the existence of such facts should be drawn from the fact of our representation of the District.

9. The opinions set forth herein are based on factual representations made to us as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may thereafter come to our attention, or to reflect any changes in law that may thereafter occur or become effective. Moreover, our opinions are not a guarantee of a particular result, and are not binding on the courts or any other entity; rather, our opinions represent our professional judgment based on our review of existing law, and in reliance on the representations and covenants that we deem relevant to such opinions.

Very truly yours,

KUTAK ROCK LLP

EXHIBIT E

CERTIFICATE OF JPWARD AND ASSOCIATES, LLC

I, James P. Ward, Chief Operating Officer of JPWard and Associates, LLC, do hereby certify to Esplanade at Wellen Park 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 \$_____ Capital Improvement Revenue Bonds, Series 2026 (the "Bonds"), as follows (terms used and not otherwise defined herein shall have the meanings ascribed to such terms in the Limited Offering Memorandum dated _____, 2026 (the "Limited Offering Memorandum") of the District relating to the Bonds):

(i) JPWard and Associates, LLC has acted as district manager and assessment consultant to the District in connection with the issuance of the Bonds and has been retained by the District to prepare the Master Special Assessment Methodology dated July 8, 2025, and the [Final Supplemental Master Assessment Methodology] dated _____, 2026 (collectively, the "Report");

(ii) Based on our reliance on the certificate of the District's Consulting Engineer of even date herewith reflecting that the Series 2026 Project provides a special benefit to the properties assessed, the Series 2026 Assessments are not in excess of such benefit, and the Series 2026 Assessments are fairly and reasonably allocated to the properties assessed;

(iii) The Series 2026 Assessments, as initially levied, and as may be reallocated from time to time as permitted by resolutions adopted by the District with respect to the Series 2026 Assessments and the Report, are sufficient to enable the District to pay the debt service on the Series 2026 Bonds through the final maturities thereof;

(iv) JPWard and Associates, LLC consents to the use of the Report included as Appendix B to the Limited Offering Memorandum;

(v) JPWard and Associates, LLC consents to the references to the firm in the Limited Offering Memorandum;

(vi) the Report was prepared in accordance with all applicable provisions of Florida law;

(vii) the information contained in the Limited Offering Memorandum as of the date of the Limited Offering Memorandum, and as of the date hereof, under the heading "ASSESSMENT METHODOLOGY AND ALLOCATION OF ASSESSMENTS" (excluding the fourth paragraph therein) is true and correct in all material respects, and, such information does not contain any untrue statement of a material fact or 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;

(viii) except as disclosed in the Limited Offering Memorandum, the firm 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;

(ix) JPWard and Associates, LLC does not represent the Esplanade at Wellen Park Community Development District as a Municipal Advisor or Securities Broker nor is JPWard and Associates, LLC registered to provide such services as described in Section 15B of the Securities and Exchange Act of 1934, as amended. Similarly, JPWard and Associates, LLC does not provide the Esplanade at Wellen Park Community Development District with financial advisory services or offer investment advice in any form.

IN WITNESS WHEREOF, the undersigned has set his hand this ____ day of _____, 2026.

JPWARD AND ASSOCIATES, LLC

James P. Ward, Chief Operating Officer

EXHIBIT F

FORM OF CERTIFICATE OF DEVELOPER

Taylor Morrison of Florida, Inc., a Florida corporation (the "Developer"), DOES HEREBY CERTIFY, that:

1. This Certificate of the Developer is furnished pursuant to Section 8(c)(11) of the Bond Purchase Agreement dated _____, 2026 (the "Purchase Contract") between Esplanade at Wellen Park Community Development District (the "District") and MBS Capital Markets LLC (the "Underwriter") relating to the sale by the District of its \$_____ original aggregate principal amount of Esplanade at Wellen Park Community Development District Capital Improvement Revenue Bonds, Series 2026 (the "Bonds"). Capitalized terms used, but not defined, herein shall have the meanings assigned thereto in the Purchase Contract.

2. The Developer is a corporation organized and existing under the laws of the State of Florida.

3. Representatives of the Developer have provided information to the District to be used in connection with the offering by the District of its Bonds, pursuant to a Preliminary Limited Offering Memorandum dated _____, 2026 (the "Preliminary Limited Offering Memorandum"), and a final Limited Offering Memorandum dated _____, 2026 (the "Limited Offering Memorandum" and, together with the Preliminary Limited Offering Memorandum, the "Limited Offering Memoranda").

4. The Developer has reviewed and approved the information contained in the Limited Offering Memoranda under the captions "THE CAPITAL IMPROVEMENT PROGRAM AND THE SERIES 2026 PROJECT," "THE DEVELOPMENT," "THE DEVELOPER," "LITIGATION – The Developer," and "CONTINUING DISCLOSURE – Developer Continuing Compliance" and with respect to the Developer and the Development (as defined in the Limited Offering Memoranda) under the caption "BONDOWNERS' RISKS" and warrants and represents that such information did not as of its respective 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 the 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.

5. The Developer represents and warrants that it has complied with and will continue to comply with Chapters 190.009, Florida Statutes and 190.048, Florida Statutes, as amended.

6. 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.

7. The Developer hereby consents to the levy of the Series 2026 Assessments on the lands in the District owned by the Developer. The levy of the Series 2026 Assessments on the District lands 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.

8. 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.

9. The Developer acknowledges that the Bonds have the debt service requirements set forth in the Limited Offering Memoranda and that the Series 2026 Assessments will be levied by the District at times, and in amounts sufficient, to enable the District to pay debt service on the Bonds when due (the foregoing is referred to as the "Debt Service Acknowledgment").

10. To the best of our knowledge, the Developer is not in default under any 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 to which the Developer is a party or on the Development and is not delinquent in the payment of all ad valorem, federal and state taxes associated with the Development.

11. 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 Financing Documents to which the Developer is a party and Declaration of Consent, (b) contesting or affecting the validity or enforceability of the Financing Documents to which the Developer is a party, the Declaration of Consent, or any and all such other agreements or documents as may be required to be executed, or the transactions contemplated thereunder, (c) contesting or affecting the establishment or existence of the 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.

12. To the best of our 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.

13. The Developer acknowledges that it will have no rights under Chapter 170, Florida Statutes, as amended, to prepay, without interest, the Series 2026 Assessments imposed on lands in the District owned by the Developer within thirty (30) days following completion of the Series 2026 Project and acceptance thereof by the District.

14. Except as expressly disclosed in the Limited Offering Memoranda, the Developer has complied in all material respects with disclosure obligations pursuant to SEC Rule 15c2-12. The Developer hereby represents, warrants and certifies that it has procedures in place with respect to complying with its disclosure obligations and the Developer further represents that it anticipates satisfying all future disclosure obligations required pursuant to the Continuing Disclosure Agreement and SEC Rule 15c2-12.

15. The Developer is not insolvent and the Developer is not in default of any obligations to pay special assessments, except as disclosed in the Limited Offering Memoranda.

16. The current general development plans for the Development are as set forth in the Limited Offering Memorandum under the captions "THE DEVELOPMENT—Land Use/Phasing Plan" and "THE DEVELOPMENT – Development Status," and the status of sales activity and projected absorption for Assessment Area One is as set forth in the Limited Offering Memorandum under the captions "THE DEVELOPMENT—Model Homes/Sales Activity" and "THE DEVELOPMENT – Projected Absorption." The Developer is proceeding with all reasonable speed to develop Assessment Area One in the Development and to construct and sell residential units therein to members of the general public unrelated to the Developer and/or to sell parcels therein to builders unrelated to the Developer. The District was not organized and will not be operated to perpetuate private control by the Developer. During the development period of the Development, and until such time as the majority of the members of the Board of Supervisors of the District are elected by qualified electors pursuant to the Act, the Developer expects to elect a majority of the members of the Board of Supervisors of the District. The Developer expects that all members of the Board elected thereby will comply with all provisions of the Act, and will inform any members of the Board related to the Developer that it expects such members to act only in furtherance of the public purposes described in the Act. As of the date hereof, the Developer does not reasonably expect that it will be required to make any true-up payments with these to the Series 2026 Assessments pursuant to the Assessment Proceedings.

We understand that Bond Counsel to the District will rely on certain representations provided herein in giving its opinion that interest on the Bonds is excluded from gross income for federal income tax purposes. The foregoing representations contained in this Certificate are given to the best of the undersigned's actual knowledge and belief.

[Remainder of page intentionally left blank.]

Dated: _____, 2026.

TAYLOR MORRISON OF FLORIDA, INC.,
a Florida corporation

Eric Van Schaik, Vice President

EXHIBIT G

FORM OF OPINION OF COUNSEL TO DEVELOPER

_____, 2026

Esplanade at Wellen Park Community Development District
Sarasota County, Florida

U.S. Bank Trust Company, National Association
Fort Lauderdale, Florida

MBS Capital Markets, LLC
Winter Park, Florida

Re: \$_____ Esplanade at Wellen Park Community Development District Capital
Improvement Revenue Bonds, Series 2026 (the "Series 2026 Bonds")

Ladies and Gentlemen:

We are counsel to Taylor Morrison of Florida, Inc., a Florida corporation (the "Developer"), which is the developer of certain land within the master planned community located in unincorporated Sarasota County and commonly referred to as Skye Ranch (the "Development"), as both are described in the Limited Offering Memoranda (as hereinafter defined). This opinion is rendered at the request of the Developer in connection with the issuance by the Esplanade at Wellen Park Community Development District (the "District") of the Series 2026 Bonds as described in the District's Preliminary Limited Offering Memorandum dated _____, 2026, and the District's final Limited Offering Memorandum, dated _____, 2026, including the appendices attached to each (collectively, the "Limited Offering Memoranda"). It is our understanding that the Series 2026 Bonds are being issued to, among other things, provide funds to (i) pay a portion of the costs of the Series 2026 Project, (ii) fund the Series 2026 Reserve Account in an amount equal to the Series 2026 Reserve Account Requirement for the Series 2026 Bonds, (iii) pay a portion of certain costs of issuance of the Series 2026 Bonds, (iv) and to pay the interest to become due on the Series 2026 Bonds.

In our capacity as counsel to the Developer, we have examined originals or copies identified to our satisfaction as being true copies of the Limited Offering Memoranda, the Completion Agreement (2026 Bonds) by and between the District and the Developer dated _____, 2026, True-Up Agreement (2026 Bonds) by and between the District and the Developer dated _____, 2026, the Acquisition Agreement by and between the District and the Developer dated _____, 2026, the Collateral Assignment Agreement (2026 Bonds) by and between the District and the Developer dated _____, 2026, the Declaration of Consent – Esplanade at Wellen Park Community Development District (2026 Bonds) by the Developer dated _____, 2026, the Certificate of Developer dated _____, 2026, and the

Continuing Disclosure Agreement by and among the District, the Dissemination Agent named therein and the Developer dated _____, 2026 (collectively, the “Documents”) and have made such examination of law as we have deemed necessary or appropriate in rendering this opinion. In connection with the forgoing, we have also reviewed and examined the Developer’s Articles of Incorporation dated [-----], and Good Standing Certificate dated [-----, 2026] (collectively, the “Organizational Documents”).

In rendering this opinion, we have assumed, without having made any independent investigation of the facts, the genuineness of all signatures (other than those of the Developer and its parent companies) and the authenticity of all documents submitted to us as originals and the conformity to original documents of all documents submitted to us as certified, conformed or photostatic copies, and the legal capacity of all natural persons.

In basing the opinions set forth in this opinion on “our knowledge”, the words “our knowledge” signify that, in the course of our representation of Developer, no facts have come to our attention that would give us actual knowledge or actual notice that any such opinions or other matters are not accurate. Except as otherwise stated in this opinion, we have undertaken no investigation or verification of such matters. Further, the words “our knowledge” as used in this opinion are intended to be limited to the actual knowledge of the attorneys within our firm who have been directly involved in representing Developer in connection with this transaction.

Based on the forgoing, we are of the opinion that:

1. The Developer is a corporation organized and existing under the laws of the State of Florida.
2. The Developer has the power to conduct its business and to undertake the Development as described in the Limited Offering Memoranda and to enter into the Documents.
3. The Documents have been duly authorized, executed and delivered by the Developer and are in full force and effect. Assuming the due authorization, execution and delivery of such instruments by the other parties thereto and their authority to perform such instruments, the Documents constitute legal, valid and binding obligations of the Developer, enforceable in accordance with their respective terms.
4. Nothing has come to our attention that would lead us to believe the information contained in the Limited Offering Memoranda under the captions “THE DEVELOPMENT,” “THE DEVELOPER,” “BONDOWNERS’ RISKS” (as it relates to the Developer, the Development and non-specified Bondholder risks), and “LITIGATION – The Developer” does not accurately and fairly present the information purported to be shown or contains any untrue statement of a material fact nor omits to state any material fact necessary to make the statement made therein, in light of the circumstances under which they were made, not misleading as of the respective dates of the Limited Offering Memoranda or as of the date hereof.

5. The execution, delivery and performance of the Documents by the Developer do not violate (i) the Organizational Documents, (ii) to our knowledge, any agreement, instrument or federal or Florida law, rule or regulation known to us to which the Developer is a party or by which Developer's assets are or may be bound; or (iii) to our knowledge, any judgment, decree or order of any administrative tribunal, which judgment, decree, or order is binding on the Developer or its assets.

6. Nothing has come to our attention that would lead us to believe that the Developer is not in compliance in all material respects with all provisions of applicable law in all material matters relating to the Developer as described in the Limited Offering Memoranda. Except as otherwise described in the Limited Offering Memoranda, (a) we have no knowledge that the Developer has not received all government permits, approvals, consents and licenses required in connection with the construction and completion of the Development, the CIP and the Series 2026 Project as described in the Limited Offering Memoranda and the Engineer's Report, other than certain government permits, approvals, consents and licenses which are expected to be received in the ordinary course as needed; and (b) we have no actual knowledge of any default of any zoning condition, land use permit or development agreement which would adversely affect the Developer's ability to complete development of the Development as described in the Limited Offering Memoranda and all appendices thereto.

7. To our knowledge, the levy of the Series 2026 Assessments on the lands within Assessment Area One (as described in the Limited Offering Memoranda) will not conflict with or constitute a breach of or default under any agreement, indenture or other instrument to which the Developer is a party or to which the Developer or any of its property or assets is subject.

8. To our knowledge, there is no litigation pending, and to the best of our knowledge, threatened, which would prevent or prohibit the development of the Development, the CIP or the Series 2026 Project in accordance with the descriptions thereof in the Limited Offering Memoranda and the Engineer's Report annexed thereto as Appendix A or which could result in any material adverse change in the respective business, properties, assets or financial condition of the Developer.

9. To our knowledge, 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. To our knowledge, 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. To our knowledge, the Developer is not in default under any mortgage, trust indenture, lease or other instrument to which it or any of its assets is subject, which default would have a material adverse effect on the Series 2026 Bonds or the Development.

This opinion as to enforceability of any document is subject to limitations imposed by bankruptcy, insolvency, reorganization, moratorium, liquidation, readjustment of debt, or similar laws relating to or affecting creditor's rights generally and general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law), and to the exercise of judicial discretion in appropriate cases.

This opinion is given as of the date hereof, and we disclaim any obligation to update this opinion letter for events occurring after the date of this opinion letter. The foregoing opinion applies only with respect to the laws of the State of Florida and the federal laws of the United States of America and we express no opinion with respect to the laws of any other jurisdiction. This letter is for the benefit of and may be relied upon solely by the addressees.

Sincerely,

J. Wayne Crosby, P.A.

EXHIBIT H

CERTIFICATE OF CONSULTING ENGINEER

Esplanade at Wellen Park Community Development District
c/o JPWard and Associates, LLC, District Manager
2301 Northeast 37th Street
Fort Lauderdale, Florida 33308

MBS Capital Markets, LLC
c/o Mr. Brett Sealy, Managing Partner
152 Lincoln Avenue
Winter Park, Florida 32789

Re: \$_____ Esplanade at Wellen Park Community Development
 District Capital Improvement Revenue Bonds, Series 2026 (the
 “Series 2026 Bonds”)

Ladies and Gentlemen:

Atwell, LLC serves as the Consulting Engineer (also referred to as the “District Engineer”) to the Esplanade at Wellen Park Community Development District (the “District”) and the undersigned is an authorized representative of such firm with authority to sign this Certificate on behalf of such firm.

This Certificate is furnished pursuant to Section 8 of the Bond Purchase Agreement dated _____, 2026, between the District and MBS Capital Markets, LLC, as underwriter, relating to the sale of the above-captioned Series 2026 Bonds. Terms used herein in capitalized form and not otherwise defined herein shall have the meaning ascribed thereto in said Bond Purchase Agreement or in the Limited Offering Memorandum dated _____, 2026, relating to the Series 2026 Bonds (the “Limited Offering Memorandum”).

1. All governmental permits and approvals required to commence and complete construction, acquisition and installation of the Capital Improvement Program (“CIP”) and the portion of the Capital Improvement Program financed by the Series 2026 Bonds (the “Series 2026 Project”) have been obtained or can reasonably be obtained in the ordinary course. The plans and specifications for the Capital Improvement Program have been approved by all regulatory bodies required to approve them (such regulatory bodies consisting of those referred to in the Engineer’s Report) or such approval can reasonably be expected to be obtained. To the best of our knowledge, after due inquiry, (a) the Developer is in compliance in all material respects with all provisions of applicable law in all material matters relating to the CIP and the Development as described in the Limited Offering Memorandum, (b) all government permits required in connection with the construction of the development of the Development as described in the

Limited Offering Memorandum have been received, or are reasonably expected to be obtained, and (c) we are not aware of any default of any zoning condition, land use permit or development agreement which would adversely affect the ability to complete development of the CIP and the Development as described in the Limited Offering Memorandum.

2. The proceeds of the Series 2026 Bonds available to be expended to acquire components of the Series 2026 Project from the Developer are reasonably expected to be expended by December 31, 2026.

3. The information contained in the Limited Offering Memorandum and the Preliminary Limited Offering Memorandum dated _____, 2026 (the "Preliminary Limited Offering Memorandum" and, together with the Limited Offering Memorandum, the "Limited Offering Memoranda") under the caption "THE CAPITAL IMPROVEMENT PROGRAM AND THE SERIES 2026 PROJECT" and in the Master Engineer's Report dated April 2025, Revised June 2025 (the "Master Engineer's Report"), as supplemented by the First Supplemental Engineer's Report dated January 13, 2026 (the "Supplemental Engineer's Report" and, together with the Master Engineer's Report, the "Engineer's Reports") included as an appendix to the Limited Offering Memoranda did not, and do not, to the best of our knowledge, contain any untrue statement of a material fact and did not, and do not, omit to state a material fact necessary to be stated therein in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

4. The Engineer's Reports were prepared in accordance with generally accepted engineering practices. We consent to the inclusion of the Engineer's Report in the Limited Offering Memoranda and to the references to our firm therein.

5. All water and sewer utilities necessary to serve the land in the District subject to the Series 2026 Assessments relating to the Series 2026 Bonds, as described in the Limited Offering Memoranda, are, or will be, available as and when needed.

6. The portion of the Series 2026 Project heretofore constructed and/or acquired by the District has been constructed in a sound workmanlike manner and in accordance with industry standards.

7. The Series 2026 Project provides sufficient benefit to support the Series 2026 Assessments levied on the properties subject to the Series 2026 Assessments.

8. The price to be paid by the District to the Developer from proceeds of the Series 2026 Bonds for acquisition of the Series 2026 Project components to be funded by the Series 2026 Bonds will not exceed the lesser of the cost of such Series 2026 Project or the fair market value of the assets acquired by the District from the Developer as set forth in the related acquisition agreement.

9. The Series 2026 Project consists solely of infrastructure and other improvements identified under Section 190.012, Florida Statutes and is part of the CIP, which functions as a system of improvements benefiting all assessable lands in the District. The Series 2026 Project is and will be (i) located on public property or within public rights of way or easements and (ii) accessible by the general public and/or part of a public utility or drainage system. No earthwork, grading or other improvements relating to the Series 2026 Project have been or will be constructed or performed on private lots or private property. With respect to any lakes constructed or improved with proceeds of the Series 2026 Bonds, no water is being collected therein specifically to be used for reuse on private lots or private property. All water management improvements included in the Series 2026 Project are an integral part of the water management system needed for the District and are located on public land or within public easements and not within private roads. All lakes included in the Series 2026 Project were constructed in accordance with applicable requirements of governmental authorities with jurisdiction over the lands in the District and not for the purpose of creating fill for private property. It was or will be less expensive to allow the Developer to use any excess fill generated by construction of the water management system and any conservation and mitigation improvements than to haul such fill off-site. Any roads financed as part of the Series 2026 Project will be operated as a public road and any member of the public will have free and unrestricted access to such roads. The Series 2026 Project does not include undergrounding of electric utility lines. The conservation and mitigation improvements included in the Series 2026 Project serve a drainage function and are required by applicable governmental development orders, approvals and permits relating to the lands in the District. Any reuse/irrigation facilities included in the Series 2026 Project are or will be owned and operated by the County as part of the County's public reuse/irrigation system serving the land within the District and other areas of the County or owned and operated by the District as part of the District's public irrigation system, for which no payments are planned to be made to the District or any private party, including a property or homeowner's association, for use of irrigation water from such facilities.

10. The following sentence is provided for use by the District in connection with the Federal Tax Certificate of the District dated the date hereof relating to the Series 2026 Bonds. With proper operation and maintenance, the reasonably expected average life of the Series 2026 Project is at least 20 years.

11. The construction items and the Cost thereof as stated in the Engineer's Reports are reasonable and the Series 2026 Project has been, or can be, acquired, constructed, reconstructed, equipped and installed in accordance with the plans and specifications for the Series 2026 Project heretofore approved by all regulatory bodies required to approve them or, to the extent such approval has not yet been obtained, for which such approval can reasonably be expected to be obtained.

Dated: _____, 2026

ATWELL, LLC

[Name,] [Title]

EXHIBIT I

FORM OF ISSUE PRICE CERTIFICATE

ESPLANADE AT WELLEN PARK COMMUNITY DEVELOPMENT DISTRICT

\$_____

Capital Improvement Revenue Bonds, Series 2026 (Sarasota County, Florida)

The undersigned, on behalf of MBS Capital Markets, LLC. (“MBS”), in its capacity as the Underwriter, as hereinafter defined, hereby certifies as set forth below with respect to the sale and issuance of the above-captioned bonds (the “Bonds”). Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Bond Purchase Agreement dated as of _____, 2026, between the Issuer (hereinafter defined) and the Underwriter.

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

2. ***Additional Defined Terms.***

(a) *Issuer* means Esplanade at Wellen Park Community Development District.

(b) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or 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.

(d) *Related Party* means an entity that shares with another entity (1) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership of one corporation of another), (2) more than 50% common ownership of their capital interests or profits interests, if both parties are partnerships (including direct ownership by one partnership of another), or (3) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profits 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).

(e) *Underwriter* means (i) any person that agrees pursuant to a written contract with the District (or with a lead underwriter to form an underwriting syndicate) to participate in the initial sale of the 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 Bonds to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the Public).

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

4. We have been advised by Bond Counsel that the weighted average maturity of an issue of tax-exempt bonds is the sum of the products of the issue price of each maturity which is a part of the issue and the years to maturity (determined separately for each maturity and by taking into account mandatory redemptions), divided by the issue price of the entire issue. Assuming that the sale prices of 10% of each maturity of the Bonds are the issue prices of the Bonds and that the entire issue price of the Bonds is \$_____, the weighted average maturity of the Bonds is _____ years.

5. The funding of the Series 2026 Reserve Account established under the Indenture in an amount equal to the Series 2026 Reserve Account Requirement for the Bonds is necessary in order to market and sell the Bonds.

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

MBS CAPITAL MARKETS, LLC

Brett Sealy, Managing Partner

Dated: _____, 2026

SCHEDULE A

ISSUE PRICE SCHEDULE

Maturity Date	CUSIP#	Principal Amount	Interest Rate	10% Test Maturities: 10% Test is Met on Sale Date	Price

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

SCHEDULE B

PRICING WIRE OR EQUIVALENT COMMUNICATION

EXHIBIT C

FORM OF PRELIMINARY LIMITED OFFERING MEMORANDUM

PRELIMINARY LIMITED OFFERING MEMORANDUM DATED _____, 2026

NEW ISSUE - BOOK-ENTRY ONLY

NOT RATED

In the opinion of Holland & Knight LLP, Bond Counsel, as more fully described herein, under existing law and assuming continuing compliance by the District (hereinafter defined) with certain tax covenants, the interest on the Series 2026 Bonds is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") and is not treated as an item of tax preference for purposes of computing the federal alternative minimum tax imposed on individuals under the Code; however, the interest on the Series 2026 Bonds is included in the "adjusted financial statement income" of certain corporations on which the federal alternative minimum tax is imposed under the Code. See "TAX MATTERS" herein.

**ESPLANADE AT WELLEN PARK COMMUNITY DEVELOPMENT DISTRICT
(Sarasota County, Florida)**

\$ _____ *

Capital Improvement Revenue Bonds, Series 2026

Dated: Date of delivery

Due: May 1, as shown below

The \$ _____ * Esplanade at Wellen Park Community Development District Capital Improvement Revenue Bonds, Series 2026 (the "Series 2026 Bonds") are being issued by the Esplanade at Wellen Park Community Development District (the "District") pursuant to a Master Trust Indenture to be dated as of ____ 1, 2026 (the "Master Indenture") between the District and U.S. Bank Trust Company, National Association, as trustee (the "Trustee"), as supplemented with respect to the Series 2026 Bonds by a First Supplemental Trust Indenture to be dated as of ____ 1, 2026, and entered into between the District and the Trustee (the "First Supplemental Indenture" and, together with the Master Indenture, the "Indenture") and resolutions of the District authorizing the issuance of the Series 2026 Bonds. The Series 2026 Bonds are being issued only in fully registered form, in denominations of \$5,000 or any integral multiple thereof; provided, however, that the Series 2026 Bonds shall be delivered to the initial purchasers thereof only in aggregate principal amounts of \$100,000 or integral multiples of \$5,000 in excess of \$100,000. The District was created pursuant to the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended, the Florida Constitution, and other applicable provisions of law (collectively, the "Act") and Ordinance No. 2025-010 of the Board of County Commissioners of Sarasota County, Florida (the "County"), enacted on April 22, 2025, and effective on April 23, 2025.

The Series 2026 Bonds are payable from and secured by the Series 2026 Trust Estate, which consists of the Series 2026 Pledged Revenues and the Series 2026 Pledged Funds. The Series 2026 Pledged Revenues consist of the revenues derived by the District from non-ad valorem special assessments levied to pay debt service on the Series 2026 Bonds against Assessment Area One (as further described and defined herein). The Series 2026 Pledged Funds consist of the Accounts, including the Subaccounts therein, established by the First Supplemental Indenture (except for

* Preliminary, subject to change.

the Series 2026 Rebate Account). See “SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2026 BONDS.”

The Series 2026 Bonds, when issued, will be registered in the name of Cede & Co., as the owner and nominee for The Depository Trust Company (“DTC”). Purchases of beneficial interests in the Series 2026 Bonds will be made in book-entry only form. Accordingly, principal of and interest on the Series 2026 Bonds will be paid from the sources described 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 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 more fully described herein. Any purchaser as a Beneficial Owner of a Series 2026 Bond must maintain an account with a broker or dealer who is, or acts through, a DTC Participant to receive payment of the principal of and interest on such Series 2026 Bond. See “DESCRIPTION OF THE SERIES 2026 BONDS - Book-Entry Only System” herein. The Series 2026 Bonds will bear interest at the fixed rates set forth herein, calculated on the basis of a 360-day year composed of twelve thirty-day months. Interest on the Series 2026 Bonds is payable semi-annually on each May 1 and November 1, commencing May 1, 2026.

Some or all of the Series 2026 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 2026 BONDS – Redemption Provisions for Series 2026 Bonds” herein.

The Series 2026 Bonds are being issued to: (i) finance a portion of the Cost of acquiring, constructing and equipping certain public assessable infrastructure and public improvements comprising the Series 2026 Project, as more particularly described herein; (ii) pay certain costs associated with the issuance of the Series 2026 Bonds; (iii) make a deposit into the Series 2026 Reserve Account to be held for the benefit of all of the Series 2026 Bonds, without privilege or priority of one Series 2026 Bond over another; and (iv) pay a portion of the interest to become due on the Series 2026 Bonds.

THE SERIES 2026 BONDS ARE LIMITED OBLIGATIONS OF THE DISTRICT PAYABLE SOLELY OUT OF THE SERIES 2026 TRUST ESTATE PLEDGED THEREFOR UNDER THE INDENTURE, AND NEITHER THE PROPERTY, THE FULL FAITH AND CREDIT, NOR THE TAXING POWER OF THE DISTRICT, SARASOTA COUNTY, FLORIDA, THE STATE OF FLORIDA, NOR ANY OTHER POLITICAL SUBDIVISION THEREOF, IS PLEDGED AS SECURITY FOR THE PAYMENT OF THE SERIES 2026 BONDS, EXCEPT THAT THE DISTRICT IS OBLIGATED UNDER THE INDENTURE TO LEVY AND TO EVIDENCE AND CERTIFY, OR CAUSE TO BE CERTIFIED, FOR COLLECTION, SERIES 2026 ASSESSMENTS (AS DEFINED HEREIN) TO SECURE AND PAY THE SERIES 2026 BONDS. THE SERIES 2026 BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE DISTRICT, SARASOTA COUNTY, FLORIDA, THE STATE OF FLORIDA, NOR ANY OTHER POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY LIMITATION.

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

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

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

\$ _____ % Series 2026 Term Bond Due May 1, 20__ - Yield: ____% - Price: _____ - CUSIP No. _____[†]
\$ _____ % Series 2026 Term Bond Due May 1, 20__ - Yield: ____% - Price: _____ - CUSIP No. _____[†]
\$ _____ % Series 2026 Term Bond Due May 1, 20__ - Yield: ____% - Price: _____ - CUSIP No. _____[†]

The Series 2026 Bonds are offered for delivery when, as and if issued by the District and accepted by MBS Capital Markets, LLC, the Underwriter, subject to prior sale, withdrawal or modification of the offer without notice and the receipt of the opinion of Holland & Knight LLP, West Palm Beach, Florida, Bond Counsel, as to the validity of the Series 2026 Bonds and the excludability of interest thereon from gross income for federal income tax purposes. Certain legal matters will be passed upon for the District by its counsel, Kutak Rock LLP, Tallahassee, Florida, for Taylor Morrison of Florida, Inc. by its counsel, J. Wayne Crosby, P.A., Winter Park, Florida, for the Trustee by its counsel, Squire Patton Boggs, Miami, Florida, and for the Underwriter by its counsel, Bryant Miller Olive P.A., Orlando, Florida. It is expected that the Series 2026 Bonds will be available for delivery through the facilities of DTC on or about _____, 2026.

MBS CAPITAL MARKETS, LLC

Dated: _____, 2026

[†] 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. Under no circumstances shall this Preliminary Limited Offering Memorandum constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of the Series 2026 Bonds in any jurisdiction in which such an offer, solicitation or sale would be unlawful prior to registration, qualification or exemption under the securities laws of such jurisdiction. The District has deemed this Preliminary Limited Offering Memorandum “final,” except for certain permitted omissions, within the contemplation of Rule 15c2-12 promulgated by the Securities and Exchange Commission.

ESPLANADE AT WELLEN PARK COMMUNITY DEVELOPMENT DISTRICT

BOARD OF SUPERVISORS

John Wollard, Chair*
Ron Schwied, Vice Chair*
Bryan Hughes, Assistant Secretary*
Adam Dirkhising, Assistant Secretary*
Erik van Schaik, Assistant Secretary*

DISTRICT MANAGER AND ASSESSMENT CONSULTANT

JPWard and Associates, LLC
Fort Lauderdale, Florida

DISTRICT COUNSEL

Kutak Rock LLP
Tallahassee, Florida

DISTRICT ENGINEER

Atwell, LLC
Sarasota, Florida

BOND COUNSEL

Holland & Knight LLP
West Palm Beach, Florida

COUNSEL TO THE UNDERWRITER

Bryant Miller Olive P.A.
Orlando, Florida

*Affiliated with the Developer (hereinafter defined)

REGARDING USE OF THIS LIMITED OFFERING MEMORANDUM

No dealer, broker, salesman or other person has been authorized by the District, 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 2026 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained from the District, the District Manager, the Developer (as hereinafter defined), the District Engineer and other sources that are believed by the Underwriter to be reliable. The District, the Developer, the District Engineer and the Assessment Consultant will, at closing, deliver certificates certifying that certain of the information each supplied 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 information set forth herein has been obtained from public documents, records and other sources, including the District and the Developer, which are believed to be reliable, but it is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation of, the Underwriter. The Underwriter has provided the following sentence for inclusion in this Limited Offering Memorandum. The Underwriter has reviewed the information in this Limited Offering Memorandum in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

Statements contained herein that are not purely historical, are forward-looking statements, including statements regarding the District's and the Developer's expectations, hopes, intentions, or strategies regarding the future. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included herein are based on information available on the date hereof, and the District assumes no obligation to update any such forward-looking statements. Such forward-looking statements are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal, and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive, and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the control of the District and the Developer. Actual results could differ materially from

those discussed in such forward-looking statements and, therefore, there can be no assurance that the forward-looking statements included herein will prove to be accurate.

THE UNDERWRITER IS LIMITING THIS OFFERING TO ACCREDITED INVESTORS WITHIN THE MEANING OF THE RULES OF THE FLORIDA DEPARTMENT OF FINANCIAL SERVICES. HOWEVER, THE LIMITATION ON THE INITIAL OFFERING TO ACCREDITED INVESTORS DOES NOT DENOTE RESTRICTIONS ON TRANSFERS IN ANY SECONDARY MARKET FOR THE SERIES 2026 BONDS.

THE SERIES 2026 BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR HAS THE INDENTURE BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON CERTAIN EXEMPTIONS SET FORTH IN SUCH ACTS. THE REGISTRATION, QUALIFICATION OR EXEMPTION OF THE SERIES 2026 BONDS IN ACCORDANCE WITH THE APPLICABLE SECURITIES LAW PROVISIONS OF ANY JURISDICTIONS WHEREIN THESE SECURITIES HAVE BEEN OR WILL BE REGISTERED, QUALIFIED OR EXEMPTED SHOULD NOT BE REGARDED AS A RECOMMENDATION THEREOF BY SUCH JURISDICTIONS. NEITHER THE DISTRICT, SARASOTA COUNTY, FLORIDA, THE STATE OF FLORIDA NOR ANY OTHER POLITICAL SUBDIVISION OR AGENCY THEREOF HAS GUARANTEED OR PASSED UPON THE MERITS OF THE SERIES 2026 BONDS OR UPON THE PROBABILITY OF ANY EARNINGS THEREON. OTHER THAN THE DISTRICT, NEITHER SARASOTA COUNTY, FLORIDA, THE STATE OF FLORIDA, NOR ANY OTHER POLITICAL SUBDIVISION THEREOF HAS PASSED UPON THE ACCURACY OR ADEQUACY OF THIS LIMITED OFFERING MEMORANDUM.

THIS LIMITED OFFERING MEMORANDUM IS BEING PROVIDED TO PROSPECTIVE PURCHASERS IN ELECTRONIC FORMAT ON THE FOLLOWING WEBSITES: WWW.MUNIOS.COM AND WWW.EMMA.MSRB.ORG. THIS LIMITED OFFERING MEMORANDUM MAY BE RELIED UPON ONLY AS PRINTED IN ITS ENTIRETY DIRECTLY FROM EITHER OF SUCH WEBSITES.

REFERENCES TO WEBSITE ADDRESSES PRESENTED HEREIN ARE FOR INFORMATIONAL PURPOSES ONLY AND MAY BE IN THE FORM OF A HYPERLINK SOLELY FOR THE READER'S CONVENIENCE. UNLESS SPECIFIED OTHERWISE, SUCH WEBSITES AND THE INFORMATION OR LINKS CONTAINED THEREIN ARE NOT INCORPORATED INTO, AND ARE NOT PART OF, THIS LIMITED OFFERING MEMORANDUM FOR ANY PURPOSE INCLUDING FOR PURPOSES OF RULE 15C2-12 PROMULGATED BY THE SECURITIES AND EXCHANGE COMMISSION.

THIS LIMITED OFFERING MEMORANDUM, IS NOT, AND SHALL NOT BE DEEMED TO CONSTITUTE, AN OFFER TO SELL, OR THE SOLICITATION OF AN OFFER TO BUY REAL ESTATE, WHICH MAY ONLY BE MADE PURSUANT TO OFFERING DOCUMENTS SATISFYING APPLICABLE FEDERAL AND STATE LAWS RELATING TO THE OFFER AND SALE OF REAL ESTATE.

THIS PRELIMINARY LIMITED OFFERING MEMORANDUM IS IN A FORM DEEMED FINAL BY THE DISTRICT FOR PURPOSES OF RULE 15C2-12 ISSUED UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, EXCEPT FOR CERTAIN INFORMATION PERMITTED TO BE OMITTED PURSUANT TO RULE 15C2-12(B)(1).

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LIMITED OFFERING MEMORANDUM

relating to

ESPLANADE AT WELLEN PARK COMMUNITY DEVELOPMENT DISTRICT (Sarasota County, Florida)

\$ _____ *

Capital Improvement Revenue Bonds, Series 2026

INTRODUCTION

The purpose of this Limited Offering Memorandum, including the cover page and appendices hereto, is to set forth certain information concerning the Esplanade at Wellen Park Community Development District (the “District” or the “Issuer”), in connection with the offering and issuance by the District of its Capital Improvement Revenue Bonds, Series 2026 (the “Series 2026 Bonds”). The District was created pursuant to the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended, the Florida Constitution, and other applicable provisions of law (collectively, the “Act”) and Ordinance No. 2025-010 of the Board of County Commissioners of Sarasota County, Florida (the “County”), enacted on April 22, 2025, and effective on April 23, 2025 (the “Ordinance”). The Series 2026 Bonds are being issued pursuant to the Act and a Master Trust Indenture to be dated as of ____ 1, 2026 (the “Master Indenture”) between the District and U.S. Bank Trust Company, National Association, as trustee (the “Trustee”), as supplemented with respect to the Series 2026 Bonds by a First Supplemental Trust Indenture to be dated as of ____ 1, 2026, and entered into between the District and the Trustee (the “First Supplemental Indenture” and, together with the Master Indenture, the “Indenture”) and resolutions of the District authorizing the issuance of the Series 2026 Bonds. All capitalized terms used in this Limited Offering Memorandum that are defined in the Indenture and not defined herein shall have the respective meanings set forth in the forms of the Master Indenture and First Supplemental Indenture, both of which appear as composite APPENDIX C attached hereto. The information contained in this Introduction is part of this Limited Offering Memorandum and is subject in all respects to the more complete information contained in or incorporated into this Limited Offering Memorandum. This Introduction should not be considered a complete statement of the facts material to making an investment decision. This Limited Offering Memorandum speaks only as of its date and the information contained herein is subject to change.

THE SERIES 2026 BONDS ARE NOT RATED OR CREDIT ENHANCED, AND ARE NOT A SUITABLE INVESTMENT FOR ALL INVESTORS (SEE “SUITABILITY FOR INVESTMENT” AND “BONDOWNERS’ RISKS” HEREIN).

* Preliminary, subject to change.

The District was established for the purposes, among other things, of financing and managing the planning, acquisition, construction, maintenance and operation of the public infrastructure necessary for community development in the master-planned development known as Esplanade at Wellen Park (the “Development”), in which the District is located. The Act authorizes the District to issue bonds for the purpose, 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, street lights and other basic infrastructure projects within or without the boundaries of the District, all as provided in the Act.

Consistent with the requirements of the Indenture and the Act, the Series 2026 Bonds are being issued for the primary purpose of financing a portion of the Costs of acquiring, constructing and equipping certain public assessable infrastructure and improvements comprising a portion of the District’s Capital Improvement Program, as more fully described herein, paying certain costs associated with the issuance of the Series 2026 Bonds, making a deposit into the Series 2026 Reserve Account to be held for the benefit of all of the Series 2026 Bonds, without privilege or priority of one Series 2026 Bond over another, and paying a portion of the interest to become due on the Series 2026 Bonds.

The Series 2026 Bonds are payable from and secured by the Series 2026 Trust Estate, which consists of the Series 2026 Pledged Revenues and the Series 2026 Pledged Funds, as more fully described herein under “SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2026 BONDS – General.” The Series 2026 Assessments will be levied on an equal per acre basis over the approximately 177 acres planned for 239 residential lots and constituting Neighborhood One of the Development (“Assessment Area One”) as further described herein in “ASSESSMENT METHODOLOGY AND ALLOCATION OF ASSESSMENTS” and in the Assessment Reports (hereinafter defined) attached hereto as composite APPENDIX B.

The Series 2026 Assessments represent an allocation of a portion of the Costs of the Series 2026 Project (hereinafter defined), including bond financing costs, to Assessment Area One in accordance with the Assessment Reports attached hereto as composite APPENDIX B.

“Assessments” are defined in the Master Indenture to mean all assessments levied and collected by or on behalf of the District pursuant to Section 190.022 of the Act as amended from time to time, together with the interest specified by resolution adopted by the Governing Body, the interest specified in Chapter 170, Florida Statutes, as amended, if any such interest is collected by or on behalf of the Governing Body, and any applicable penalties collected by or on behalf of the District, together with any and all amounts received by the District from the sale of tax certificates or otherwise from the collection of Delinquent Assessments and which are referred to as such and pledged to a Series of Bonds pursuant to the Supplemental Indenture authorizing the issuance of such Series of Bonds.

There follows in this Limited Offering Memorandum a brief description of the District, the District’s public Capital Improvement Program, the Series 2026 Project (which is a part of

such Capital Improvement Program), and Taylor Morrison of Florida, Inc., a Florida corporation (the “Developer”), together with summaries of the terms of the Indenture, the Series 2026 Bonds and certain provisions of the Act. All references herein to the Indenture and the Act are qualified in their entirety by reference to such documents and statutes and all references to the Series 2026 Bonds are qualified by reference to the definitive form thereof and the information with respect thereto contained in the Indenture. Forms of the Master Indenture and the First Supplemental Indenture are attached hereto as composite APPENDIX C. The information herein under the captions “THE DEVELOPMENT,” “THE DEVELOPER,” “LITIGATION – The Developer” and “CONTINUING DISCLOSURE – Developer Continuing Compliance” has been furnished by the Developer and has been included herein without independent investigation by the District, its Counsel, Bond Counsel, or the Underwriter or its counsel, and the District and the Underwriter make no representation or warranty concerning the accuracy or completeness of such information. The Developer makes no representation or warranty as to the accuracy or completeness of information contained herein which has been furnished by any other party to the transactions contemplated hereby.

SUITABILITY FOR INVESTMENT

While the Series 2026 Bonds are not subject to registration under the Securities Act of 1933, as amended (the “Securities Act”), the Underwriter has determined that the Series 2026 Bonds are not suitable for investment by persons other than, and, as required by Chapter 189, Florida Statutes, will offer the Series 2026 Bonds only to, “accredited investors,” within the meaning of Chapter 517, Florida Statutes, and the rules promulgated thereunder (“Accredited Investors”). However, the limitation of the initial offering to Accredited Investors does not denote restrictions on transfers in any secondary market for the Series 2026 Bonds. Prospective investors in the Series 2026 Bonds should have such knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of an investment in the Series 2026 Bonds and should have the ability to bear the economic risks of such prospective investment, including a complete loss of such investment.

Investment in the Series 2026 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.

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THE DISTRICT

General

The District was established pursuant to the Ordinance. The District consists of approximately 444.49 acres located in the County.

Legal Powers and Authority

The District is an independent unit of local government created pursuant to, and established in accordance with, the Act. The Act was enacted in 1980 to provide a uniform method for the establishment of independent districts to manage and finance basic community development services, including capital infrastructure required for community developments throughout the State of Florida (the "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 pursuant to its general law charter.

Among other provisions, the Act gives the District's Board of Supervisors the authority to, among other things, (a) finance, fund, plan, establish, acquire, construct or reconstruct, enlarge or extend, equip, operate and maintain systems, facilities, and basic infrastructure for, among other things: (i) water management and control for lands within the District and to connect any of such facilities with roads and bridges; (ii) water supply, sewer and waste-water management, reclamation and reuse systems or any combination thereof and to construct and operate connecting intercept or outlet sewers and sewer mains and pipes and water mains, conduits, or pipelines in, along, and under any street, alley, highway, or other public place or ways, and to dispose of any effluent, residue, or other byproducts of such system or sewer system; (iii) District roads equal to or exceeding the specifications of the county in which such District roads are located and street lights, landscaping, hardscaping and undergrounding of electric utility lines; (iv) conservation areas, mitigation areas, and wildlife habitat; (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; (b) borrow money and issue bonds of the District; (c) impose and foreclose special assessment liens as provided in the Act; and (d) exercise all other powers, necessary, convenient, incidental or proper in connection with any of the powers or duties of the District stated in the Act.

The Act does not empower the District to adopt and enforce any land use plans or zoning ordinances and the Act does not empower the District to grant building permits. These functions are to be performed by general purpose local governments having jurisdiction over the lands within the District.

The Act exempts all property owned by the District from levy and sale by virtue of an execution and from judgment liens.

Board of Supervisors

The Act provides that a five-member Board of Supervisors (the "Board") serves as the governing body of the District. Members of the Board (the "Supervisors") must be residents of the State and citizens of the United States. Initially, the Supervisors are appointed in the Ordinance. Within 90 days after formation of the District, an election is required to be held pursuant to which new Supervisors were elected on an at-large basis by the owners of the property within the District. Ownership of land within the District entitles the owner to one vote per acre (with fractions thereof rounded upward to the nearest whole number). A Supervisor serves until expiration of his or her term and until his or her successor is chosen and qualified. If, during a term of office, a vacancy occurs, the remaining Supervisors may fill the vacancy by an appointment of an interim Supervisor for the remainder of the unexpired term.

After the initial election, the elections take place every two years, with the first such election being held on the first Tuesday in November, and subsequent elections being held on a date in November established by the Board. Upon the later of six years after the initial appointment of Supervisors and the year when the District next attains at least 250 qualified electors, Supervisors whose terms are expiring will begin to be elected (as their terms expire) by qualified electors of the District. A qualified elector is a registered voter who is at least eighteen years of age, a resident of the District and the State and a citizen of the United States. At the election where Supervisors are first elected by qualified electors, two Supervisors must be qualified electors and be elected by qualified electors, each elected to four-year terms. The seat of the remaining Supervisor whose term is expiring at such election shall be filled by a Supervisor who is elected by the landowners for a four-year term and who is not required to be a qualified elector. Thereafter, as terms expire, all Supervisors must be qualified electors and must be elected by qualified electors to serve staggered four-year terms.

Notwithstanding the foregoing, if at any time the Board proposes to exercise its ad valorem taxing power, prior to the exercise of such power, it shall call an election at which all Supervisors shall be elected by qualified electors in the District. Elections subsequent to such decision shall be held in a manner such that the Supervisors will serve four-year terms with staggered expiration dates in the manner set forth in the Act.

The Act provides that it shall not be an impermissible conflict of interest under Florida law governing public officials for a Supervisor to be a stockholder, officer or employee of a landowner or of any entity affiliated with a landowner.

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The current members of the Board and the expiration of the term of each member are set forth below, all of which are affiliated with the Developer:

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
John Wollard	Chair	November 2029
Ron Schwied	Vice Chair	November 2029
Bryan Hughes	Assistant Secretary	November 2027
Adam Dirkhising	Assistant Secretary	November 2027
Erik van Schaik	Assistant Secretary	November 2027

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 (i) preserving and maintaining any improvement or facility constructed or erected pursuant to the provisions of the Act, (ii) maintaining and operating the equipment owned by the District, and (iii) performing such other duties as may be prescribed by the Board.

The District has hired JPWard and Associates, LLC (the "District Manager") to serve as District Manager. The District Manager's office is located 2301 NE 37 Street, Fort Lauderdale, Florida 33334 and its telephone number is (954) 658-4900.

The Act further authorizes the Board to hire such employees and agents as it deems necessary. Thus, the District has employed the services of Holland & Knight LLP, West Palm Beach, Florida, as Bond Counsel; Kutak Rock LLP, Tallahassee, Florida, as District Counsel; Atwell, LLC, Sarasota, Florida, as District Engineer (the "District Engineer"); and JPWard and Associates, LLC, Fort Lauderdale, Florida, as Assessment Consultant (the "Assessment Consultant") to prepare the Assessment Reports for the Series 2026 Bonds.

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THE CAPITAL IMPROVEMENT PROGRAM AND THE SERIES 2026 PROJECT

Detailed information concerning the public portion of the Capital Improvement Program (the “CIP”) for the District is contained in the Master Engineer’s Report dated April 2025 as prepared by the District Engineer (the “Master Engineer’s Report”).

The CIP is described in the Master Engineer’s Report and is estimated to cost approximately \$83.0 million. The CIP includes fees and permits, conservation areas, irrigation, perimeter hardscaping, landscaping, and irrigation, entry features, undergrounding electric conduit, roadways and pavement, utility water system, sanitary system, stormwater management/conservation, offsite improvements, contingency and professional services. Enumeration of the costs of the CIP is provided in the table below.

Infrastructure	Total CIP
Fees and Permits	\$6,306,002
Conservation Areas	329,940
Irrigation (Reclaimed)	4,027,385
Perimeter Hardscaping, Landscaping, Irrigation	6,614,300
Entry Features	1,937,250
Underground Electrical Conduit	517,100
Roadways and Pavement	11,432,608
Utility Water System	5,325,788
Sanitary System	7,199,958
Stormwater Management/Conservation	15,733,330
Offsite Improvements	7,827,500
Contingency	9,612,099
Professional Fees	6,256,300
Total	\$83,039,560

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The CIP is a system of improvements serving all assessable lands in the District. The initial phase of the public CIP is estimated to cost approximately \$11.7 million and includes certain infrastructure costs allocable to Assessment Area One (the “Series 2026 Project”). Detailed information concerning the Series 2026 Project is contained in the First Supplemental Engineer’s Report, dated January 13, 2026 (the “Supplemental Engineer’s Report” and, together with the Master Engineer’s Report, the “Engineer’s Reports”). The Engineer’s Reports are attached hereto as composite APPENDIX A. Enumeration of the estimated cost of the Series 2026 Project is provided in the table below.

<u>Infrastructure</u>	<u>Series 2026 Project</u>
Exterior Landscaping and Hardscape	\$1,750,000
Subdivision Potable Water System	2,254,824
Subdivision Wastewater System	2,655,582
Irrigation Facilities	2,231,766
Storm Water Facilities	5,542,987
Environmental Preservation and Mitigation	100,000
Off-site Road Construction	1,876,125
Municipal Fees and Permits	150,000
<i>Subtotal</i>	<i>\$19,597,742</i>
Contingency (5%)	979,887
Professional Fees	300,000
TOTAL	\$20,877,629

Proceeds of the Series 2026 Bonds will be utilized to acquire and/or construct a portion of the Series 2026 Project in the approximate amount of \$13.2 million. As discussed further herein, development activities for Assessment Area One are underway with completion anticipated in the first quarter of 2026. The Developer estimates it has expended approximately [X] million in development related expenditures as of January 15, 2026.

The District currently intends to issue additional Series of Bonds to fund additional portions of the CIP; however, such future Series of Bonds will be secured by assessments levied on lands separate and distinct from Assessment Area One. The Developer will enter into a completion agreement whereby the Developer will agree to complete the portion of the Series 2026 Project not funded with proceeds of the Series 2026 Bonds or a future Series of Bonds. The District cannot make any representation that the Developer will have sufficient funds to complete the Series 2026 Project. See “SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2026 BONDS – Developer Agreements” herein.

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ASSESSMENT METHODOLOGY AND ALLOCATION OF ASSESSMENTS

The District’s Assessment Consultant has prepared the Master Special Assessment Methodology dated July 8, 2025, (the “Master Assessment Report”), as supplemented by the Preliminary Supplemental Special Assessment Methodology - Assessment Area One – Series 2026 Bonds, dated January 13, 2026 (the “Supplemental Assessment Report” and, together with the Master Assessment Report, the “Assessment Reports”) attached hereto as composite APPENDIX B. The Master Assessment Report provides a methodology to allocate the total benefit derived from the CIP to each of the product types planned in the District on a fully financed basis.

The Series 2026 Assessments securing the Series 2026 Bonds will be levied on an equal per acre basis over the approximately 177 acres planned for 239 residential lots and constituting Neighborhood One of the Development (“Assessment Area One”). Pursuant to the allocation methodology set forth in the Assessment Report, the Series 2026 Assessments levied in connection with the Series 2026 Bonds on the lands in Neighborhood One will then be allocated on a per lot basis upon the sale of property with specific entitlements transferred thereto or platting. See “APPENDIX B – ASSESSMENT REPORT” attached hereto. The Series 2026 Bonds were sized to correspond to the collection of Series 2026 Assessments from 239 residential lots planned within Assessment Area One.

The table below illustrates the estimated principal and annual amounts of the Series 2026 Assessments that will be levied by the District for each respective product type within Assessment Area One. The Series 2026 Assessments will be levied and collected in thirty (30) annual installments.

At the time a home on a lot is closed with a retail buyer the Developer plans, but is not obligated to, prepay a portion of the Series 2026 Assessments. These prepayments are anticipated to ultimately result in the redemption of approximately \$6.7 million of the Series 2026 Bonds.

<u>Product Type</u>	<u># of Units</u>	<u>Est. Series 2026 Bonds Principal Per Unit[†]</u>	<u>Est. Series 2026 Bonds Gross Annual Debt Service Per Unit[‡]</u>
TV	60	\$45,005	\$3,385
Single-Family 45'	30	50,630	3,808
Single-Family 52'	64	58,506	4,400
Single-Family 62'	57	69,757	5,247
Single-Family 90'	28	101,260	7,616
Total	239		

[†] Preliminary, subject to change.

[‡] Grossed up for early payment discount and County collection fees (7%).

* The Developer plans to make prepayments to redeem approximately \$6.7 million of the Series 2026 Bonds. After such prepayments are made, the Series 2026 Assessments are expected to be reduced to approximately \$1,800 (net) for a TV lot, \$2,040 (net) for a SF

45' lot, \$2,160 (net) for a SF 52' lot, \$2,760 (net) for a SF 62' lot and \$3,600 (net) for a SF 90' lot.

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 persons 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 2025 Bonds, the Developer will represent in writing that the information herein under the captions "THE DEVELOPMENT," "THE DEVELOPER," "LITIGATION – Developer," and "CONTINUING DISCLOSURE" (as it relates to the Developer) 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.

To the extent it owns land subject to the Series 2026 Assessments, the Developer's obligation to pay the Series 2026 Assessments is limited solely to the obligation of any landowner within the District. The Developer is not a guarantor of payment of the Series 2026 Assessments on any property within the District and the recourse for the Developer's failure to pay Series 2026 Assessments or otherwise comply with its obligations to the District is limited to its ownership interest in the land subject to the Series 2026 Assessments.

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THE DEVELOPMENT

Overview

Esplanade at Wellen Park (the “Development”) encompasses approximately 444 acres situated around the Myakka Pines Golf Course and located entirely within Sarasota County, Florida (the “County”). The Development is generally bordered by Neal Communities’ Everly at Wellen Park to the north and S. River Road to the east and south. Direct access to the Development is provided through the future West Villages Parkway extension with secondary access off of S. River Road. Sarasota-Bradenton International Airport is approximately thirty-eight (38) miles northwest of the Development. Tampa International Airport can be reached via Interstate 75 approximately eighty-five (85) miles north of the Development.

A Publix-anchored shopping center is located off of West Villages Parkway approximately three and one-half miles (3.5) miles north of the Development. The Development is also located approximately nine (9) miles southeast of a Home Depot off the intersection of Woodmere Park Blvd. and South Tamiami Trail. Medical facilities including HCA Florida Wellen Park and Sarasota Memorial Hospital are located approximately five (5) miles and fourteen (14) miles northwest of the Development, respectively. Public access to gulf coast beaches is located approximately twelve (12) miles west of the Development. Additionally, Myakka Pines Golf Course, a semi-private golf course, is adjacent to the Development.

The Development is intended to be developed in three (3) phases (such phases referred to as “Neighborhoods”) for the development of approximately 877 residential units. Development of the first phase of the Development consisting of 239 residential lots is currently underway with completion anticipated in the first quarter of 2026. The landowner and developer of the lands within the Development is Taylor Morrison of Florida, Inc., a Florida corporation (as previously defined, the “Developer”). As discussed in more detail under the heading “ASSESSMENT METHODOLOGY AND ALLOCATION OF ASSESSMENTS,” the Series 2026 Assessments will ultimately be levied on the 239 residential lots planned within the initial phase of the Development constituting Neighborhood One of the Development.

Land Acquisition/Development Financing

In August 2024, the Developer acquired approximately 439 acres for the planned Development from Fairway Development – Myakka Pines, LLC (“Fairway Development”), a Florida limited liability company and an affiliated entity of John Cannon Homes, for a total purchase price of \$20.0 million. An additional purchase price will be provided to Fairway Development equal to eleven percent (11%) of the net revenue of each home sold less the base purchase price credit attributable to that lot. Pursuant to the and purchase agreement entered into between the Developer and Fairway Development (the “Land Purchase Agreement”) and as more fully described herein under the subheading “Builder Contract,” Fairway Development has entered into a builder agreement under which the Developer will develop sixty (60) single-family 90’ lots for subsequent sale to Fairway Development for \$1 per finished lot. **[The Land Purchase**

Agreement was structured such that the land purchase price reflects and accounts for such provision.] An additional purchase price is not required for such lots.

Concurrently, in August 2024, the Developer purchased an additional outparcel consisting of approximately eight (8) acres from Winchester Florida Ranch, LLLP (“Winchester Florida”), a Florida limited liability partnership, for a total purchase price of \$0.32 million. The outparcel was acquired to fully extend the Development’s boundaries and provide for a main point of entry into the Development from the construction of the West Village Parkway extension. The Developer will construct the West Village Parkway extension from its current terminus at Blissby Street continuing along Neighborhood One to the main entry road, Barelli Boulevard, thereby providing access to the Development. Further, the Developer is required to remit a marketing fee to Winchester Florida equal to two percent (2%) of the selling price of a lot and home to a third-party buyer to the extent a home is constructed in such outparcel.

The Developer estimates the total development costs for the Development to be approximately \$71.0 million of which \$19.3 million is attributable to Neighborhood One. Proceeds of the Series 2026 Bonds will be used to acquire and/or construct a portion of the Series 2026 Project in the approximate amount of \$13.2 million*. The Developer anticipates using equity to fund the remaining portions of the CIP not funded with proceeds of the Series 2026 Bonds and future series of Bonds as well as the remaining development costs not included within the CIP. As discussed further herein, Assessment Area One planned for 239 residential lots is currently in active development. As of January 15, 2025, the Developer estimates it had expended approximately \$X million in development-related expenditures.

Environmental

In June 2022, a Phase I Environmental Site Assessment (“Phase 1 ESA”) was performed by Environmental Consulting & Technology, Inc. (“ECT”) for the lands comprising the Development. The Phase 1 ESA revealed the presence of arsenic in the northeastern and eastern lakes and the former burn pit area in the Development. As a result, a Phase II Environmental Site Assessment (“Phase II ESA”) was performed in September 2022 by ECT. The Phase II ESA recommended additional assessment activities in these areas until the impacted areas were fully delineated. The Developer has since excavated, transported, and disposed of contaminated soils to ensure the arsenic concentration in such areas is below cleanup target levels.

Zoning/Permitting

The Development was rezoned as a Settlement Area Planned Development with amended stipulations pursuant to Zoning Ordinance 2023-019 (the “Zoning Ordinance”) allowing for the development of up to 877 residential units. The Zoning Ordinance sets forth conditions related to but not limited to environmental protection plan, public facilities plan, mobility plan, parks

* Preliminary, subject to change.

and recreational plan, open space, and fire protection. Certain of such conditions, as applicable to the development plans for the lands within the Development, are summarized below.

- A minimum of thirty-five (35%) of the Development shall be maintained as open space
- The Developer shall construct a fully functional access point to West Villages Parkway
- If the Development's S. River Road entrance warrants a traffic signal, the Developer shall determine the most appropriate control for such intersection

The Developer, as successor to the prior landowner, and the County entered into a Development Agreement (the "Development Agreement"), that governs the entire Development. The Development shall be vested and deemed concurrent under the County concurrency requirements for transportation, drainage and parks through March 31, 2033. Certain of the conditions set forth in the Development Agreement are summarized below.

- The Developer shall dedicate at least nineteen (19) acres for parks, recreation and community facilities to the County
- The Developer shall dedicate lands for a multi-use trail system to the County. Such trails shall be owned, operated and maintained by the District
- The Developer shall dedicate additional lands for an alternative surface pedestrian trail, transit stops and accessible bus stop pad and shelter facility along S. River Road
- The Developer shall dedicate no more than 2.25 acres of land for a fire station to the County
- The Developer shall design and construct a traffic control device and turn lanes at the S. River Road entrance to the Development, if required. The Developer shall submit a traffic analysis to the County prior to the issuance of the certificate of occupancy for the 547th dwelling unit to determine if such improvements are needed. Such traffic analysis will be conducted again prior to the issuance of the certificate of occupancy for the 637th dwelling unit
- The Developer shall design, permit and construct a full median opening within S. River Road and the Development's entrance, if required. The Developer shall submit a traffic analysis to the County prior to the issuance of the certificate of occupancy for the 439th dwelling unit to determine if such improvements are needed. Such traffic analysis will be conducted again prior to the issuance of the certificate of occupancy for the 658th dwelling unit

- Concurrently with the first subdivision plat recorded, the Developer is required to convey to the County a right-of-way along S. River Road to accommodate future roadway improvements

As described in further detail in the Engineer Report, the Developer has obtained a Southwest Florida Water Management District (“SWFWMD ERP”) for the entire Development. Work in Neighborhood One is being completed under the existing SWFWMD ERP; however, the Developer has submitted for a stand-alone SWFWMD ERP for Neighborhoods One and Two to facilitate certification and infrastructure closeout. Such permit is anticipated to be obtained in the first quarter of 2026. A Florida Department of Environmental Protection 404 permit for Neighborhood One constituting Assessment Area One was not required. Further, all necessary permits and approvals for the infrastructure to serve Assessment Area One within the District have been obtained.

Upon issuance of the Series 2026 Bonds, the District Engineer will certify that any permits and approvals necessary to complete the Series 2026 Project that have not previously been obtained are expected to be obtained in the ordinary course of business.

Product Type/Phasing

The Development is planned to be developed in three (3) phases (as previously mentioned, such phases are referred to as “Neighborhoods”) for the development of approximately 877 residential units. The information in the table below depicts the current estimated number of residential lots by product type for the Development, which information is subject to change.

Product Type	Neighborhood 1	Neighborhood 2	Neighborhood 3	Total
Multi-Family	0	144	0	144
Twin Villa	60	106	0	166
Single-Family 45'	30	48	49	127
Single-Family 52'	64	76	82	222
Single-Family 62'	57	59	42	158
Single-Family 90'	28	0	32	60
Total	239	433	205	877

Development activities for Neighborhood One of the Development consisting of 239 residential units is currently underway with completion anticipated in the first quarter of 2026. A final plat for Neighborhood One is anticipated to be approved and recorded in the first quarter of 2026. The entry feature and main spine road, Asparano Avenue, is currently underway within Neighborhood One and is anticipated to be complete in the first quarter of 2026. Further, construction of the West Village Parkway extension from its current terminus at Blissby Street continuing along Neighborhood One to the main entry road, thereby providing access to the Development, is currently underway with completion anticipated in first quarter of 2026.

Utilities

Englewood Water District will provide water and wastewater services to the entire Development. Florida Power & Light will provide electrical power to the Development. Xfinity will provide internet and cable services to the Development.

The Developer has entered into a Water and Wastewater Service Agreement (the "Utility Agreement") with the Englewood Water District whereby the Englewood Water District will provide potable water, reclaimed water and sewer services to Neighborhoods One and Two of the Development conditioned on the Developer meeting certain obligations under the Utility Agreement including the construction of (i.) an 8' force main to be extended from the existing force main at Haligan Way, north along River Road (ii.) a 12' water main to be extended from the existing water main at Buckskin Drive, north along River Road and (iii.) two (2) new lift stations and their respective collection systems. The Developer is required to pay capital capacity fees in the total aggregate amount of \$3.9 million for Neighborhoods One and Two of the Development upon final certification of each neighborhood. The Developer will enter into a similar utility agreement for Neighborhood Three within the Development

Builder Contract

[Need executed contract]

Pursuant to the Land Purchase Agreement as more fully described under subheading "Land Acquisition/Development Financing", Fairway Development, an affiliated entity of John Cannon Homes, entered into a purchase and sale contract with the Developer for the purchase of sixty (60) fully developed single-family 90' lots, consisting of twenty-eight (28) residential lots in Neighborhood One and thirty-two (32) residential lots in Neighborhood Three (the "John Cannon Homes Contract"). The total purchase price for each single-family lot is \$1 per lot. Fairway Development has delivered a deposit totaling \$60,000. The deposit will ultimately be refunded to Fairway Development as each lot receives a certificate of occupancy in the approximate amount of \$1,000 per lot.

The John Cannon Homes Contract stipulates that the first takedown will consist of five (5) single-family lots and will occur within fifteen (15) days of finished lot completion and plat approval but no later than March 30, 2026. The remaining single-family lot takedowns will be acquired in seven (7) subsequent takedowns consisting of eight (8) single-family lots. Each subsequent takedown shall occur on the later of (i.) the anniversary of the initial closing that corresponds to that takedown, which is two (2) years for the second takedown, three (3) years for the third takedown and continuing annually through eight (8) years for the final takedown or (ii.) within fifteen (15) days following lot completion and plat approval.

Pursuant to the John Cannon Homes Contract, all finished lots will be delivered to John Cannon Homes with all necessary zoning and concurrency requirements such that each single-family lot is ready for immediate issuance of a building permit. Further, pursuant to the John Cannon Homes Contract, within one (1) year after the initial closing, the dog park and the sports

court for the amenities shall be substantially completed. Within three (3) years after the initial closing, the remaining amenities shall be substantially complete.

John Cannon Homes, established in 1987, is based in Sarasota, Florida and is known for designing and constructing high-end residences throughout southwest Florida. John Cannon Homes has completed over 2,000 luxury homes within numerous prestigious neighborhoods and communities in Florida including Lakewood Ranch, Longboat Key, Casey Key, Bird Key, Siesta Key, Anna Maria Island, the Founder’s Club, and The Concession.

Home Construction/Sales Activity

The Development is planned to feature a sales center and seven (7) model homes. Construction of the model homes is expected to commence in January 2026 with completion soon thereafter in March 2026. Further, home sale activities within the Development are anticipated to commence in the second quarter of 2026.

Projected Absorption

The Developer intends to develop 211 of the planned 239 lots within Assessment Area One into finished lots for subsequent home construction thereon and eventual sale to retail buyers. The remaining twenty-eight (28) single-family 90’ lots within Assessment Area One will similarly be developed into finished lots by the Developer but are intended for sale to John Cannon Homes for home construction thereon and eventual sale to retail buyers.

The following table sets forth the Developer’s anticipated pace of finished lot sales to John Cannon Homes in Assessment Area One.

<u>Product Type</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>Total</u>
Single-family 90’	[5]	[12]	[11]	28

As previously mentioned, home sale activities in the Development are anticipated to commence in the **[second quarter of 2026]**. The following table sets forth the anticipated pace of home closings to retail buyers in Assessment Area One.

<u>Product Type</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>	<u>2031</u>	<u>Total</u>
Twin Villa	8	48	4	0	0	0	60
Single-Family 45’	4	26	0	0	0	0	30
Single-Family 52’	4	42	18	0	0	0	64
Single-Family 62’	3	30	24	0	0	0	57
Single-Family 90’	<u>0</u>	<u>3</u>	<u>6</u>	<u>6</u>	<u>6</u>	<u>7</u>	<u>28</u>
Total	19	149	52	6	6	7	239

The projections noted 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 being marketed as an active-lifestyle, age-targeted community. The Development is planned to include eleven (11) designs ranging in size from approximately 1,364 square feet to 2,573 square feet with prices starting in the high \$300,000s. The information in the table below illustrates the current estimated base pricing and square footage for the residential units planned within the Development, which information is subject to change.

Product Type	Estimated Average Square Footage	Estimated Average Base Price
Twin Villa	1,533	\$389,500
Single-Family 45’	1,675	\$420,735
Single-Family 52’	2,181	\$567,524
Single-Family 62’	1,533	\$699,574
Single-Family 90’	3,000	\$2.8 million

Recreational Facilities

The recreational amenities planned for the Development are intended to be geared toward active adults, similar in nature to the Developer’s other Esplanade-branded southwest Florida communities. The Development is currently planned to include certain amenities including The Resort Club, a 16,000 square-foot state-of-the-art amenity center featuring fitness equipment, group fitness rooms, a spa therapy suite, lockers and private showers. Outdoor spaces are planned to include a resort-style zero-entry pool, spa, outdoor kitchen area with grill, a sand beach, and covered cabanas. Additional amenities are planned to include a dog park, four (4) tennis courts, six (6) pickleball courts and a pavilion. Further, to the south, the Development borders the Myakka State Forest, a protected expanse of over 8,500 acres featuring woodlands, freshwater wetlands, and native wildlife with more than thirty (30) miles of trails.

Construction of the clubhouse is anticipated to commence in the second quarter of 2026 with completion expected by the second quarter of 2027. All recreational facilities are being funded and constructed by the Developer at an estimated cost of \$12.2 million. The recreational facilities will be conveyed to the homeowner’s association.

Marketing

It is anticipated that the Developer will undertake a comprehensive marketing effort for the Development utilizing a variety of media, which includes a dedicated webpage for the Development which can be accessed at www.taylormorrison.com/fl/sarasota/englewood/esplanade-at-wellen-park. The Developer intends to sell homes from a sales center and the seven (7) model homes that will be available for prospective homebuyers to tour. Further, pursuant to the Builder Contract, John Cannon Homes

is required to pay a marketing fee equal to one percent (1%) of the gross sales price upon the closing of the sale of a new home.

Education

Children residing in the Development would generally attend Taylor Ranch Elementary School, Venice Middle School and Venice High School, all of which received an 'A' rating in 2025 from the Florida Department of Education.

Fees and Assessments

Each property owner in Assessment Area One will pay annual taxes, assessments and fees on an ongoing basis as a result of their ownership of property within the District, including ad valorem property taxes, Series 2026 Assessments, homeowner's association ("HOA") fees, and administrative, operation and maintenance assessments ("O&M 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 11.4737. Accordingly, by way of example, the annual property taxes for a \$600,000 taxable value home would be approximately \$6,884.

Homeowner's Association Fees. All homeowners residing in the District will be subject to a homeowners' association ("HOA") fee for lawn care for residences, common ground maintenance and landscaping, and recreational amenities, as well as operation and maintenance of the HOA-owned facilities. The table below illustrates the Developer's current estimates of the monthly HOA fees by product type, which are subject to change.

<u>Product Type</u>	<u>Est. Monthly HOA Fee</u>
Condo	\$281.53
Twin Villa	\$416.95
Single-Family 45'	\$384.87
Single-Family 52'	\$389.87
Single-Family 62'	\$399.87
Single-Family 90'	\$424.87

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District Special Assessments. All property owners in Assessment Area One in the District will be subject to the Series 2026 Assessments levied in connection with the Series 2026 Bonds. In addition to the Series 2026 Assessments, all property owners will be subject to annual 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 and principal Series 2026 Assessments and the estimated annual O&M Assessments at buildout that will be levied by the District for each respective product type within the District.

At the time a home on a lot is closed with a retail buyer the Developer plans, but is not obligated to, prepay a portion of the Series 2026 Assessments. These prepayments are anticipated to ultimately result in the redemption of approximately \$6.7 million of the Series 2026 Bonds.

Product Type	# of Units	Est. Series 2026 Bonds Principal Per Unit^{†§}	Est. Series 2026 Bonds Gross Annual Debt Service Per Unit^{†§}	Est. O&M Assessments Per Unit at Buildout[†]
Twin Villa	60	\$45,005	\$3,385	[\$X]
Single-Family 45'	30	50,630	3,808	[\$X]
Single-Family 52'	64	58,506	4,400	[\$X]
Single-Family 62'	57	69,757	5,247	[\$X]
Single-Family 90'	28	101,260	7,616	[\$X]
Total	239			

† Preliminary subject to change.

§ Grossed up for early payment discount and County collection fees (6%).

* The Developer plans to make prepayments to redeem approximately \$6.7 million of the Series 2026 Bonds. After such prepayments are made, the Series 2026 Assessments are expected to be reduced to approximately \$1,800 (net) for a TV lot, \$2,040 (net) for a SF 45' lot, \$2,160 (net) for a SF 52' lot, \$2,760 (net) for a SF 62' lot and \$3,600 (net) for a SF 90' lot.

Competition

The Developer expects that competition for the Development will primarily come from neighborhoods in the neighboring West Villages Improvement District including Wellen Park Golf and Country Club, Sunstone, a 55+ neighborhood, by Mattamy Homes, Gran Place by Sam Rodgers Homes, Wysteria by Neal Communities, Brightmore, a 55+ neighborhood, by Mattamy Homes and Boca Royale East by Neal Communities.

This section does not purport to summarize all of the existing or planned communities in the area of the Development, but rather to provide a description of those that the Developer feels pose primary competition to the homes to be constructed in the Development.

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THE DEVELOPER

The developer and landowner of the lands within the Development is Taylor Morrison of Florida, Inc., a Florida corporation (as previously defined, the “Developer”). The parent company of the Developer is Taylor Morrison Home II Corporation, a direct wholly owned subsidiary of the holding company Taylor Morrison Home Corporation (“Taylor Morrison”). Taylor Morrison trades on the New York Stock Exchange under the symbol TMHC.

Taylor Morrison’s principal business is residential homebuilding with operations focused in Arizona, California, Colorado, Florida and Texas. Taylor Morrison is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and in accordance therewith files reports, proxy statements, and other information with the SEC. The file number for Taylor Morrison is No. 001-35873. Such reports, proxy statements, and other information is available at the SEC’s website at 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 Taylor Morrison pursuant to the requirements of the Exchange Act after the date of this Limited Offering Memorandum will be available for inspection in the same manner as described above.

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DESCRIPTION OF THE SERIES 2026 BONDS

General Description

The Series 2026 Bonds are issuable only as registered bonds, without coupons, in current interest form in denominations of \$5,000 or any integral multiple thereof (an “Authorized Denomination”); provided, however, that the Series 2026 Bonds shall be delivered to the initial purchasers thereof only in aggregate principal amounts of \$100,000 or integral multiples of Authorized Denominations in excess of \$100,000.

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

Interest on each Series 2026 Bond will be payable on each Interest Payment Date in any coin or currency of the United States of America which, at the date of payment thereof, is legal tender for the payment of public and private debts. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in the Indenture, be paid to the registered Owner at the close of business on the regular Record Date for such interest, which shall be the fifteenth (15th) day of the calendar month next preceding such Interest Payment Date, or, if such day is not a Business Day on the Business Day immediately preceding such day; provided, however, that on or after the occurrence and continuance of an Event of Default under clause (a) of Section 902 of the Master Indenture, the payment of interest and principal or Redemption Price or Amortization Installments shall be made by the Paying Agent to such person, who, on a special Record Date which is fixed by the Trustee, which shall be not more than fifteen (15) and not less than ten (10) days prior to the date of such proposed payment, appears on the registration books of the Bond Registrar as the registered Owner of the Series 2026 Bond. Any payment of principal, Maturity Amount or Redemption Price shall be made only upon presentation at the designated corporate trust office of U.S. Bank Trust Company, National Association, located in Fort Lauderdale, Florida, or any alternate or successor paying agent, unless the Series 2026 Bonds are held in the book entry system in which case presentation shall not be required. Payment of interest shall be made by check or draft (or by wire transfer to a bank in the United States for the account of the registered Owner if such Owner requests such method of payment in writing on or prior to the regular Record Date for the respective interest payment to such account as shall be specified in such request, but only if the registered Owner owns not less than \$1,000,000 in aggregate principal amount of the Series 2026 Bonds).

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

Redemption Provisions for Series 2026 Bonds

Optional Redemption

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

Mandatory Redemption in Part

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

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

*

* Final maturity

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

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

*

* Final maturity

The Series 2026 Bonds maturing May 1, 20__, are subject to mandatory redemption in part by the District by lot prior to their scheduled maturity from moneys in the Series 2026 Sinking

Fund Account established under the First Supplemental Indenture in satisfaction of applicable Amortization Installments at the Redemption Price of the principal amount thereof, without premium, together with accrued interest to the date of redemption on May 1 of the years and in the principal amounts set forth below:

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

*

* Final maturity

As more particularly set forth in the Indenture, any Series 2026 Bonds that are purchased by the District with amounts held to pay an Amortization Installment will be cancelled and the principal amount so purchased will be applied as a credit against the applicable Amortization Installment of Series 2026 Bonds. Amortization Installments are also subject to recalculation, as provided in the First Supplemental Indenture, as the result of the redemption of Series 2026 Bonds (other than (i) Series 2026 Bonds redeemed in accordance with scheduled Amortization Installments or (ii) Series 2026 Bonds purchased at the written direction of the District accompanied by a cash flow certificate as required by Section 506(b) of the Master Indenture) so as to re-amortize the remaining Outstanding principal balance of the Series 2026 Bonds as set forth in the First Supplemental Indenture.

Extraordinary Mandatory Redemption in Whole or in Part

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

(a) on or after the Date of Completion of the Series 2026 Project, by application of moneys transferred from the Series 2026 Acquisition and Construction Account in the Acquisition and Construction Fund established under the Indenture to the Series 2026 Prepayment Subaccount of the Series 2026 Redemption Account in accordance with the terms of the Indenture; or

(b) from amounts, including Series 2026 Prepayments and transfers made pursuant to Section 403 of the First Supplemental Indenture, required by the Indenture to be deposited into the Series 2026 Prepayment Subaccount of the Series 2026 Redemption Account; or

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

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

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

Although not obligated to do so, the Developer currently anticipates prepaying a portion of the Series 2026 Assessments at or prior to the time of closing a home with a retail buyer. See “ASSESSMENT METHODOLOGY AND ALLOCATION OF ASSESSMENTS” herein for the estimated Series 2026 Assessments to be levied on lands within Assessment Area One.

Notice and Effect of Redemption

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

Book-Entry Only System

The information in this section concerning The Depository Trust Company (“DTC”) and DTC’s book-entry system has been obtained from DTC and neither the District nor the Underwriter makes any representation or warranty or takes any responsibility for the accuracy or completeness of such information.

DTC will act as securities depository for the Series 2026 Bonds. The Series 2026 Bonds will be issued as fully-registered bonds registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each maturity of the Series 2026 Bonds and will be deposited with DTC.

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

Purchases of the Series 2026 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for such Series 2026 Bonds on DTC’s records. The ownership interest of each actual purchaser of each Series 2026 Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2026 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of the Beneficial Owners. Beneficial Owners will not receive certificates representing their

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

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

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements made among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2026 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to such Series 2026 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Indenture or other related documents. For example, Beneficial Owners of Series 2026 Bonds may wish to ascertain that the nominee holding such Series 2026 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

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

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2026 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the Record Date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2026 Bonds are credited on the Record Date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions and dividend payments on the Series 2026 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or the Registrar on the payment 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 2026 Bonds. Disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

The District may decide to discontinue use of the system of book-entry only transfers through DTC (or a successor securities depository). In that event, Series 2026 Bond certificates will be printed and delivered to DTC.

SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE SERIES 2026 BONDS, AS NOMINEE OF DTC, REFERENCE HEREIN TO THE OWNER OF THE SERIES 2026 BONDS OR REGISTERED OWNERS OF THE SERIES 2026 BONDS SHALL MEAN DTC AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE SERIES 2026 BONDS.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but takes no responsibility for the accuracy thereof.

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 2026 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 2026 BONDS PAID TO DTC OR ITS NOMINEE, AS THE REGISTERED OWNER, OR PROVIDE ANY NOTICES TO THE BENEFICIAL OWNERS OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC WILL ACT IN THE MANNER DESCRIBED IN THIS LIMITED OFFERING MEMORANDUM.

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SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2026 BONDS

General

The Series 2026 Bonds are payable solely from and secured by the Series 2026 Trust Estate, which consists of the Series 2026 Pledged Revenues and the Series 2026 Pledged Funds.

The Series 2026 Pledged Revenues are defined in the First Supplemental Indenture to mean the "Series 2026 Assessment Revenues" which are all revenues derived by the District from the Series 2026 Assessments, including proceeds from any foreclosure of the lien of Delinquent Series 2026 Assessments, and any statutory interest on the Delinquent Series 2026 Assessments collected by the District in excess of the rate of interest on the Series 2026 Bonds.

The Series 2026 Pledged Funds are defined in the First Supplemental Indenture to mean all of the Accounts created under the First Supplemental Indenture, including the Subaccounts therein, other than the Series 2026 Rebate Account. The Series 2026 Pledged Funds, together with the Series 2026 Pledged Revenues, are referred to herein as the "Series 2026 Trust Estate".

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

The Series 2026 Assessments will be allocated as described under "ASSESSMENT METHODOLOGY AND ALLOCATION OF ASSESSMENTS" herein. The Series 2026 Assessments represent an allocation of the Costs of the Series 2026 Project, including bond financing costs, to the assessable land in Assessment Area One in accordance with the Assessment Reports attached hereto as composite APPENDIX B.

Funds and Accounts

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

Series 2026 Reserve Account and Series 2026 Reserve Account Requirement

The Series 2026 Reserve Account shall be funded and maintained at all times, subject to the provisions of the First Supplemental Indenture, in an amount equal to the Series 2026 Reserve Account Requirement. The Series 2026 Reserve Account Requirement means, until such time as the First Release Conditions have been met, an amount equal to fifty percent (50%) of the Maximum Annual Debt Service Requirement for all Outstanding Series 2026 Bonds as of the time of any such calculation, which on the date of issuance of the Series 2026 Bonds is equal to \$_____. Upon receipt by the Trustee of the First Release Certification and thereafter or until such time as the Second Release Conditions have been met, the Series 2026 Reserve Account Requirement shall mean an amount equal to twenty-five percent (25%) of the Maximum Annual Debt Service Requirement for all Outstanding Series 2026 Bonds (as hereinafter determined) as of the time of any such calculation. Upon receipt by the Trustee of the Second Release Certification and thereafter, the Series 2026 Reserve Account Requirement shall mean an amount equal to ten percent (10%) of the Maximum Annual Debt Service Requirement for all Outstanding Series 2026 Bonds (as hereinafter determined) as of the time of any such calculation. For purposes of the foregoing calculations, the determination of the "Outstanding Series 2026 Bonds" shall take into account any redemptions of Series 2026 Bonds to be made on the next succeeding redemption date immediately following the calculation date. Excess amounts on deposit in the Series 2026 Reserve Account as a result of the First Release Conditions and Second Release Conditions, respectively, having been met, if and when applicable, shall be transferred in accordance with Section 405 of the First Supplemental Indenture. Upon the initial issuance of the Series 2026 Bonds, the Series 2026 Reserve Account Requirement does not exceed the least of (a) 125% of the average annual Debt Service for all Outstanding Series 2026 Bonds calculated as of the date of original issuance thereof; (b) 10% of the aggregate net proceeds of the Series 2026 Bonds calculated as of the date of original issuance thereof; or (c) the Maximum Annual Debt Service Requirement for the Outstanding Series 2026 Bonds calculated as of the date of original issuance thereof.

“First Release Certification” means, with respect to the Series 2026 Reserve Account and the First Release Conditions, the written certification from an Authorized Officer of the District to the Trustee certifying that the events set forth in clauses (i) and (ii) of the definition of “First Release Conditions” have occurred and affirming clause (iii) of such definition, on which certifications the Trustee may conclusively rely.

“First Release Conditions” means, collectively, that (i) all lots subject to Series 2026 Assessments have been developed and platted, (ii) all Series 2026 Assessments are being collected pursuant to the Uniform Method, and (iii) there are no Events of Default occurring or continuing under the Indenture with respect to the Series 2026 Bonds. Upon satisfaction of the First Release Conditions, the District shall cause to be delivered to the Trustee the First Release Certification, on which the Trustee may conclusively rely, that the First Release Conditions have been met and further directing the Trustee to transfer any excess funds on deposit in the Series 2026 Reserve Account as a result thereof as provided in Section 405 of the First Supplemental Indenture.

“Second Release Certification” means, with respect to the Series 2026 Reserve Account and the Second Release Conditions, the written certification from an Authorized Officer of the District to the Trustee certifying that the events set forth in clauses (i), (ii) and (iii) of the definition of “Second Release Conditions” have occurred and affirming clause (iv) of such definition, on which certifications the Trustee may conclusively rely.

“Second Release Conditions” means, collectively, that (i) all of the First Release Conditions have been satisfied, (ii) all lots subject to the Series 2026 Assessments have had homes constructed thereon, which have each received a certificate of occupancy, (iii) all of the Series 2026 Assessment Principal has been assigned to the lots referenced in subsection (ii), and (iv) there are no Events of Default occurring or continuing under the Indenture with respect to the Series 2026 Bonds. Upon satisfaction of the Second Release Conditions, the District shall cause to be delivered to the Trustee the Second Release Certification, on which the Trustee may conclusively rely, that the Second Release Conditions have been met and further directing the Trustee to transfer any excess funds on deposit in the Series 2026 Reserve Account as a result thereof as provided in Section 405 of the First Supplemental Indenture.

Except as otherwise provided in the Indenture, amounts on deposit in the Series 2026 Reserve Account shall be used only for the purpose of making payments into the Series 2026 Interest Account and the Series 2026 Sinking Fund Account to pay Debt Service on the Series 2026 Bonds, when due, without distinction as to Series 2026 Bonds and without privilege or priority of one Series 2026 Bond over another, to the extent the moneys on deposit in such Accounts therein and available therefor are insufficient and for no other purpose. The Series 2026 Reserve Account shall consist only of cash and Series 2026 Investment Obligations.

Upon satisfaction of the First Release Conditions and Second Release Conditions, an Authorized Officer of the District shall provide the First Release Certification and Second Release Certification, as applicable, to the Trustee, upon which certifications the Trustee may conclusively rely, and thereupon an Authorized Officer of the District shall recalculate the Series 2026 Reserve

Account Requirement and instruct the Trustee to transfer any excess as a result of having met the First Release Conditions or the Second Release Conditions, as applicable, to the Series 2026 Acquisition and Construction Account to be used for the purposes of such Account unless the Series 2026 Acquisition and Construction Account has been closed, in which case such excess shall be transferred to the Series 2026 Prepayment Subaccount.

Anything in the Indenture to the contrary notwithstanding, on the forty-fifth (45th) day preceding each Quarterly Redemption Date (or, if such forty-fifth (45th) day is not a Business Day, on the first Business Day preceding such forty-fifth (45th) day), (or such other date that corresponds to the date mutually determined by the Trustee and the District pursuant to Section 408(c) of the First Supplemental Indenture), the Trustee is authorized and directed by the Indenture to recalculate the Series 2026 Reserve Account Requirement and to transfer any excess on deposit in the Series 2026 Reserve Account (other than excess resulting from investment earnings which shall be applied as provided in Section 408(f) of the First Supplemental Indenture) into the Series 2026 Prepayment Subaccount of the Series 2026 Redemption Account to be applied to the extraordinary mandatory redemption of the Series 2026 Bonds as provided in the Series 2026 Bonds.

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

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

The Master Indenture provides that any deficiency in the Series 2026 Reserve Account determined upon valuation of the Series 2026 Reserve Account pursuant to Section 509 of the Master Indenture shall not, in and of itself, constitute an Event of Default with respect to the related Series of Bonds or require any action by the District unless an Event of Default has occurred, in which case, upon receipt of notice of a deficiency while an Event of Default has occurred and is continuing, the District shall immediately pay the amount of such deficiency to the Trustee, for deposit in the Series 2026 Reserve Account, from any legally available sources of the District.

Flow of Funds and Investments

(a) The First Supplemental Indenture authorizes and directs the Trustee to deposit into the Series 2026 Revenue Account any and all amounts required to be deposited therein by the Indenture, and any other amounts or payments specifically designated by the District pursuant to a written direction or by a Supplemental Indenture for said purpose. The Series 2026 Revenue Account shall be held by the Trustee separate and apart from all other Funds and Accounts held under the Indenture and from all other moneys of the Trustee.

(b) The Trustee shall deposit into the Series 2026 Revenue Account the Series 2026 Pledged Revenues, other than the Series 2026 Prepayments, which shall be identified by the District to the Trustee as such in writing upon deposit and which shall be deposited into the Series 2026 Prepayment Subaccount of the Series 2026 Redemption Account, and any other revenues required by other provisions of the Indenture to be deposited therein.

(c) On the forty-fifth (45th) day preceding each Quarterly Redemption Date with respect to the Series 2026 Bonds (or if such forty-fifth (45th) day is not a Business Day, on the Business Day next preceding such forty-fifth (45th) day) (or such other date mutually determined by the Trustee and the District that is closer to a particular Quarterly Redemption Date and will give the Trustee sufficient time to provide notice of the extraordinary mandatory redemption of the Series 2026 Bonds as provided in the First Supplemental Indenture), the Trustee shall determine the amount on deposit in the Series 2026 Prepayment Subaccount of the Series 2026 Redemption Account, and, if the balance therein is greater than zero, shall transfer, but only at the written direction of the District, from the Series 2026 Revenue Account for deposit into the Series 2026 Prepayment Subaccount, an amount sufficient to increase the amount on deposit therein to the nearest integral multiple of \$5,000 (provided that there are sufficient funds remaining therein to pay Debt Service coming due on the Series 2026 Bonds on the next Interest Payment Date), and, shall thereupon give notice and cause the extraordinary mandatory redemption of the Series 2026 Bonds on the next succeeding Quarterly Redemption Date in the maximum aggregate principal amount for which moneys are then on deposit in the Series 2026 Prepayment Subaccount in accordance with the provisions for extraordinary mandatory redemption of the Series 2026 Bonds set forth in the form of Series 2026 Bonds attached to the First Supplemental Indenture and in accordance with certain specified provisions of the Indenture.

(d) On May 1 and November 1 (or if such May 1 or November 1 is not a Business Day, on the Business Day next preceding such May 1 or November 1), the Trustee shall first transfer from the Series 2026 Capitalized Interest Account to the Series 2026 Interest Account the lesser of (i) the amount of interest coming due on the Series 2026 Bonds on such May 1 or November 1, less the amount already on deposit therein, or (ii) the amount remaining in the Series 2026 Capitalized Interest Account.

Following the foregoing transfers, on such May 1 or November 1 (or if such May 1 or November 1 is not a Business Day, on the Business Day preceding such May 1 or November 1), the Trustee shall then transfer from the Series 2026 Revenue Account to the Funds and Accounts designated below the following amounts in the following order of priority:

FIRST, to the Series 2026 Interest Account, an amount equal to the amount of interest payable on all Series 2026 Bonds then Outstanding on such May 1 or November 1, less any amount transferred from the Series 2026 Capitalized Interest Account in accordance with Section 403(b) and Section 408(d) of the First Supplemental Indenture, and less any other amount already on deposit in the Series 2026 Interest Account not previously credited;

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

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

FOURTH, the balance shall be retained in the Series 2026 Revenue Account subject to the following paragraph.

Anything in the Indenture to the contrary notwithstanding, it shall not, in and of itself, 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. The Trustee shall within ten (10) Business Days after the last Interest Payment Date in any calendar year, at the written direction of the District, withdraw any moneys held for the credit of the Series 2026 Revenue Account as of November 2nd of such year which are not otherwise required to be deposited to other Funds and Accounts pursuant to Section 408 of the First Supplemental Indenture on such immediately preceding Interest Payment Date and deposit such moneys first to the credit of the Series 2026 Rebate Account in the amount, and to the extent necessary, so the amount on deposit therein equals the accrued rebate obligation under Section 148(f) of the Internal Revenue Code of 1986, as amended (the "Code"), if the Trustee has received a certification from the District by such date detailing the amount of such obligation which shall be deposited. Any remaining amounts in the Series 2026 Revenue Account on November 2nd of any calendar year after making the payment, if any, required under the immediately preceding sentence, may next be transferred to the District, at its written request, to be used for any lawful purpose of the District; provided, however, that on the proposed payment date of any proposed transfer to the District, the Trustee's fees and expenses are current and the Trustee is authorized to debit the Revenue Account to pay such fees and expenses and the amount on deposit in the Series 2026 Reserve Account shall be equal to the Series 2026 Reserve Account Requirement and provided further, that the Trustee shall not have actual knowledge of an Event of Default under the Indenture.

(e) On any date required by the Code, the District shall give the Trustee written direction to, and the Trustee shall, transfer from the Series 2026 Revenue Account to the Series 2026 Rebate Account established for the Series 2026 Bonds in the Rebate Fund in accordance with the Master Indenture, the amount due and owing, if any, to the United States, which amount shall be paid to the United States, when due, in accordance with the Code.

(f) Moneys on deposit in all of the Funds and Accounts held as security for the Series 2026 Bonds shall be invested only in Series 2026 Investment Obligations, and further, earnings on the Series 2026 Acquisition and Construction Account, the Series 2026 Interest Account and the Series 2026 Capitalized Interest Account shall be retained, as realized, in such Accounts or subaccounts and used for the purpose of such Accounts or subaccounts. Earnings on investments in the Funds and Account other than the Series 2026 Reserve Account, and other than as set forth in the preceding sentence, shall be deposited, as realized, to the credit of the Series 2026 Revenue Account and used for the purpose of such Account.

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

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

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

Developer Agreements

The Developer will enter into a completion agreement (the “Completion Agreement”) with the District that will obligate it to complete the portion of the Series 2026 Project not funded with proceeds of the Series 2026 Bonds. See “BONDOWNERS’ RISKS” herein. The Developer will also enter into a true-up agreement pursuant to which the Developer will agree to pay, when requested by the District, any amount of Series 2026 Assessments allocated to unplatted acres in excess of the allocation in place at the time of issuance of the Series 2026 Bonds pursuant to the Assessment Reports or any update thereto.

In addition, the Developer will execute and deliver to the District a Collateral Assignment Agreement (the “Collateral Assignment”), pursuant to which the Developer will collaterally assign to the District, to the extent assignable and to the extent that they are solely owned or controlled by the Developer, development rights relating to the Series 2026 Project. Notwithstanding such Collateral Assignment, in the event the District forecloses on lands in the Series 2026 Project area subject to the Series 2026 Assessments as a result of the Developer’s, a Builder’s or any other landowner’s failure to pay such assessments, there is a risk that the District will not have all permits and entitlements necessary to complete the Series 2026 Project or the development of Assessment Area One.

Such obligations of the Developer are unsecured obligations.

Covenants with Regard to Enforcement and Collection of Delinquent Assessments

The District covenants in the Indenture to comply with the terms of the proceedings adopted with respect to the Series 2026 Assessments, including the Assessment Resolution and the Assessment Methodology, and to levy and collect the Series 2026 Assessments as set forth in the Assessment Methodology, in such manner as will generate funds sufficient to pay the principal of and interest on the Series 2026 Bonds when due. The District covenants and agrees that upon the occurrence and continuance of an Event of Default with respect to the Series 2026 Bonds, it will take such actions to enforce the remedial provisions of the Indenture, the provisions for the collection of Delinquent Series 2026 Assessments that are directly billed and collected by the District, and the provisions for the foreclosure of liens of Delinquent Series 2026 Assessments that are directly billed and collected by the District, all in a manner consistent with the Indenture.

Subject to the next succeeding sentence, Series 2026 Assessments shall be collected pursuant to the Uniform Method; provided, that Series 2026 Assessments levied on platted lots and unplatted lands owned by the Developer and/or builders shall be billed and collected directly by the District pursuant to the Act and Chapter 170 and 197, Florida Statutes, and not pursuant to the Uniform Method. Prior to an Event of Default, the election to collect and enforce Series 2026 Assessments in any year pursuant to any one method shall not, to the extent permitted by law, preclude the District from electing to collect and enforce Series 2026 Assessments pursuant to any other method permitted by law in any subsequent year. Following an Event of Default, the Series 2026 Assessments shall be collected pursuant to the Uniform Method; provided that

Series 2026 Assessments levied on platted lots and unplatted lands owned by the Developer and/or builders shall be billed and collected directly by the District pursuant to the Act and Chapters 170 and 197, Florida Statutes, and not pursuant to the Uniform Method; provided, however, the Trustee, acting at the written direction of the Majority Owners of the Series 2026 Bonds Outstanding may deliver a notice to the District directing the District to collect the Delinquent Series 2026 Assessments in a different manner permitted by the Act and Chapters 170 and 197, Florida Statutes, provided that (i) such direction shall be in the form attached as Exhibit E to the First Supplemental Indenture, (ii) the District shall not be required to comply with such direction until it is able to change the manner of collection in accordance with applicable Florida law; and (iii) the District shall not be required to comply with any direction that is not provided strictly in the form of Exhibit E to the First Supplemental Indenture, as applicable. The First Supplemental Indenture further provides that all Series 2026 Assessments that are billed and collected directly by the District and not via the Uniform Method shall be due and payable by the landowner at such times as determined by the District, but no later than thirty-one (31) Business Days prior to each Interest Payment Date; provided, however, that such Series 2026 Assessments shall not be deemed to be Delinquent Series 2026 Assessments unless and until same are not paid by the applicable Interest Payment Date with respect to which they have been billed.

The following provisions shall apply with respect to the Series 2026 Assessments and the Series 2026 Bonds. See “SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2026 BONDS – General”:

(a) If any property shall be offered for sale for the nonpayment of any Series 2026 Assessments and no person or persons shall purchase such property for an amount equal to the full amount due on the Series 2026 Assessments (principal, interest, penalties and costs, plus attorneys’ fees, if any), the District, after receiving the written direction of the Trustee, acting at the written direction of the Majority Owners of the Series 2026 Bonds Outstanding, specifying whether the District is to take title to the property in its corporate name or in the name of an SPE, may purchase the property for an amount less than or equal to the balance due on the Series 2026 Assessments (principal, interest, penalties and costs, plus attorneys’ fees, if any), from any legally available funds of the District and the District shall receive in its corporate name or in the name of a special-purpose entity title to the property for the benefit of the Owners of the Series 2026 Bonds. The District, either through its own actions, or actions caused to be taken by the District through the Trustee, acting at the written direction of the Majority Owners of the Series 2026 Bonds Outstanding, 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 Series 2026 Revenue Account. The District, either through its own actions, or actions caused to be taken by the District through the Trustee, acting at the written direction of the Majority Owners of the Series 2026 Bonds Outstanding, agrees that the District shall, after being provided assurances satisfactory to it of payment of the District’s 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 2026 Bonds within sixty (60) days after the receipt of the request therefore signed by the Trustee, acting at the written direction of the Majority Owners of the Series 2026 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 Series 2026 Bonds. The District shall not be required to execute any documentation evidencing the extinguishment or release of the lien of the Series 2026 Assessments and Series 2026 Bonds following the sale of property pursuant to the preceding sentence without receipt of written evidence satisfactory to the District that all of the Owners of the Series 2026 Bonds concur with such extinguishment or release. With respect to any SPE: (i) the books and records of the SPE shall be deemed subject to the same public records laws, including, without limitation, Chapter 119, Florida Statutes, to which the District is subject; and (ii) in addition to the information to be provided to the District pursuant to Section 403(c) of the First Supplemental Indenture, such SPE shall provide to the District Manager any information regarding the SPE and its activities requested by or on behalf of the District within five (5) Business Days following such request, and by purchasing the Series 2026 Bonds, the Owners thereof are deemed to agree to cause any SPE not owned or controlled by the District to comply with the foregoing to the extent legally able to do so.

(b) The District acknowledges and agrees in the Indenture that (i) upon failure of any property owner to pay when due any installment of Series 2026 Assessments that are billed directly by the District, the entire Series 2026 Assessments levied on the property for which such installment of Series 2026 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 direction of the Trustee, acting at the written direction of the Majority Owners of the Series 2026 Bonds Outstanding, the District after being provided assurances satisfactory to it of payment, of its fees, costs and expenses for doing so, shall promptly, but in any event within one hundred twenty (120) days of the receipt of such direction, cause to be brought the necessary legal proceedings for the foreclosure of liens of Delinquent Series 2026 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 provided by Florida law. Such direction shall be in the form of Exhibit F to the First Supplemental Indenture and the District shall not be required to comply with any direction that is not provided strictly in the form of such Exhibit F.

(c) The Indenture provides that the District and/or the Trustee, to the extent acting individually or jointly, in pursuing foreclosure proceedings with respect to any lot or parcel delinquent in the payment of any Series 2026 Assessments shall be entitled to first recover from any foreclosure, before such proceeds are applied to the payment of principal or interest on the Series 2026 Bonds, all fees and costs expended in connection with such foreclosure, regardless whether such fees and costs could be construed as Series 2026 Assessments or Series 2026 Pledged Revenues or are otherwise held under the Indenture provided such action does not adversely impact the tax-exempt status of the Series 2026 Bonds.

Limitation on Parity Bonds

Pursuant to the First Supplemental Indenture, other than Bonds issued to refund all of the then Outstanding Series 2026 Bonds, the issuance of which results in net present value debt service savings, the District shall not, while any Series 2026 Bonds are Outstanding, issue or incur

any debt payable in whole or in part from the Series 2026 Trust Estate. The District further covenants that it will not impose Assessments for capital projects on any property then subject to the Series 2026 Assessments, without the written consent of the Majority Owners of the Series 2026 Bonds Outstanding, unless the Series 2026 Assessments have been Substantially Absorbed. The Trustee is entitled to assume that the Series 2026 Assessments have not been Substantially Absorbed absent delivery to the Trustee of a certificate of the District to the contrary on which the Trustee may conclusively rely.

“Substantially Absorbed” is defined in the First Supplemental Indenture to mean at least ninety percent (90%) of the principal portion of the Series 2026 Assessments have been assigned to residential units within the District that have each received a certificate of occupancy.

The First Supplemental Indenture further provides that notwithstanding the limitations described in the first paragraph above, the District at any time may issue additional Bonds or other obligations payable from additional Assessments encumbering the land subject to the Series 2026 Assessments which are necessary, as determined by the District, for health, safety or welfare reasons or to remediate a natural disaster or Operation and Maintenance Assessments.

Events of Default

Pursuant to the operation of the applicable provisions of the Master Indenture, each of the following events is an Event of Default with respect to the Series 2026 Bonds:

- (a) Any payment of Debt Service on the Series 2026 Bonds is not made when due;
- (b) The District admits in writing its inability to pay its debts generally as they become due, or files a petition in bankruptcy or makes an assignment for the benefit of its creditors or consents to the appointment of a receiver or trustee for itself or for the whole or any part of the Series 2026 Project;
- (c) The District is adjudged insolvent by a court of competent jurisdiction, or is adjudged a bankrupt on a petition in bankruptcy filed against the District, or an order, judgment or decree be entered by any court of competent jurisdiction appointing, without the consent of the District, a receiver or trustee of the District or of the whole or any part of its property and if the aforesaid adjudications, orders, judgments or decrees shall not be vacated or set aside or stayed within ninety (90) days from the date of entry thereof;
- (d) The District shall file a petition or answer seeking reorganization or any arrangement under the federal bankruptcy laws or any other applicable law or statute of the United States of America or any state thereof;
- (e) Under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the District’s assets or any part thereof, and such custody or control shall not be terminated within ninety (90) days from the date of assumption of such custody or control;

(f) Any portion of the Series 2026 Assessments shall have become Delinquent Series 2026 Assessments and, as the result thereof, the Indenture provides for the Trustee to withdraw funds in an amount greater than twenty-five percent (25%) of the amount on deposit in the Series 2026 Reserve Account to pay Debt Service on the Series 2026 Bonds (regardless of whether the Trustee does or does not, per the direction of the Majority Owners of the Series 2026 Bonds Outstanding, actually withdraw such funds from the Series 2026 Reserve Account to pay Debt Service on the Series 2026 Bonds) (a “Reserve Account Event”); unless within sixty (60) days from the Reserve Account Event the District has either (i) replenished the amounts, if any, withdrawn from the Series 2026 Reserve Account or (ii) the portion of the Delinquent Series 2026 Assessments giving rise to the Reserve Account Event are paid and are no longer Delinquent Assessments;

(g) Material breach by the District of any material covenant made by it in the Indenture, the breach of which adversely impacts the District’s ability to pay Debt Service on the Series 2026 Bonds Outstanding, 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 2026 Bonds Outstanding; 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 under the Indenture 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; and

(h) More than twenty-five percent (25%) of the Operation and Maintenance Assessments that are directly billed by the District and levied by the District on tax parcels subject to Series 2026 Assessments, the revenues from which are pledged to pay the Series 2026 Bonds, are not paid by the date such are due and payable and such default continues for sixty (60) days after the date when due.

Owner Direction and Consent with Respect to Series 2026 Acquisition and Construction Account Upon Occurrence of Event of Default

The District acknowledges in the Indenture that (i) the Series 2026 Pledged Funds include, without limitation, all amounts on deposit in the Series 2026 Acquisition and Construction Account of the Acquisition and Construction Fund then held by the Trustee, (ii) upon the occurrence and during the continuance of an Event of Default with respect to the Series 2026 Bonds, the Series 2026 Pledged Funds may not be used by the District (whether to pay costs of the Series 2026 Project or otherwise) without the consent of the Majority Owners of the Series 2026 Bonds Outstanding, except to the extent that prior to the occurrence of the Event of Default the District had incurred a binding obligation with third parties for work on the Series 2026 Project and for which payment is due and owing for such work (and a certificate of an Authorized Officer as to whether such binding obligation has been incurred delivered to the Trustee in the form of Exhibit D to the First Supplemental Indenture shall be conclusive evidence of the same on which the Trustee may rely), and (iii) upon the occurrence and during the continuance of an

Event of Default with respect to the Series 2026 Bonds, the Series 2026 Pledged Funds may be used by the Trustee and/or the District, to the extent acting individually or jointly, to pursue remedies, at the written direction or with the approval of the Majority Owners of the Series 2026 Bonds Outstanding, to pay costs and expenses incurred in connection with the pursuit of remedies under the Indenture, provided such action does not adversely impact the tax-exempt status of the Series 2026 Bonds and provided, further, that every use of Series 2026 Pledged Funds for such purpose shall be accompanied by detailed invoices for such costs and expenses delivered to the District Manager of the District indicating the purpose for which Series 2026 Pledged Funds are to be applied and such invoices shall be subject to the same public records laws, including, without limitation, Chapter 119, Florida Statutes, to which the District is subject. After the occurrence and during the continuance of an Event of Default, the District shall not enter into any binding agreement(s) to expend any amounts included in the Series 2026 Trust Estate unless authorized in writing by the Majority Owners of the Series 2026 Bonds Outstanding.

Following an Event of Default any direction to the District permitted to be given by the Trustee and/or the Owners of the Series 2026 Bonds Outstanding in accordance with the Indenture must be in writing, signed by the Trustee and the Majority Owners of the Series 2026 Bonds Outstanding and, with respect to certain directions, in the applicable forms attached to the First Supplemental Indenture.

Provisions Relating to Bankruptcy or Insolvency of Landowner

(a) As a result of the provisions of Section 913 of the Master Indenture, the following applies to the Series 2026 Assessments and the Outstanding Series 2026 Bonds pursuant to the Master Indenture. The provisions of Section 913 of the Master Indenture shall be applicable to the Outstanding Series 2026 Bonds both before and after the commencement, whether voluntary or involuntary, of any case, proceeding or other action by or against any owner of any parcel or parcels which are in the aggregate subject to at least three percent (3%) of the Series 2026 Assessments (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"). If the District becomes aware of a Proceeding with respect to the Series 2026 Assessments it shall provide notice thereof to the Trustee.

(b) The District acknowledges and agrees in the Master Indenture that, although the Series 2026 Bonds were issued by the District, the Owners of the Series 2026 Bonds are categorically the party with the ultimate financial stake in the applicable 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 agrees in the Master Indenture that it shall seek to secure the written consent of the Trustee, acting at the written direction of the Majority Owners of the Series 2026 Bonds Outstanding, prior to making any election, giving any consent, commencing any action or filing any motion, claim, obligation, notice or application or in taking any other action or position in any Proceeding or in any action related to a Proceeding that affects, either directly

or indirectly, the Series 2026 Assessments and Outstanding Series 2026 Bonds or any rights of the Trustee under the Indenture; provided, however, that the Majority Owners of the Series 2026 Bonds Outstanding shall be deemed to have consented to the proposed action if the District does not receive a written response from the Majority Owners of the Series 2026 Bonds Outstanding or the Trustee, acting at the written direction of such Majority Owners, within sixty (60) days following request for consent;

(ii) the District agrees in the Master Indenture that it shall not make any election, give any consent, commence any action or file any motion, claim, obligation, notice or application or take any other action or position in any Proceeding or in any action related to a Proceeding that affects, either directly or indirectly, the Series 2026 Assessments and Series 2026 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 agrees in the Master Indenture that it shall seek the written consent of the Trustee prior to filing and voting in any such applicable Proceeding (provided, however, the Majority Owners of the Series 2026 Bonds Outstanding shall be deemed to have consented to the proposed action if the District does not receive a written response from such Majority Owners and the Trustee within sixty (60) days following delivery to such Majority Owners and the Trustee of a written request for consent);

(iv) the Trustee shall have the right, by interpleader or otherwise, to seek or oppose any relief in any such applicable Proceeding that the District, as claimant with respect to the Series 2026 Assessments related to the Series 2026 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 applicable Proceeding of any applicable Insolvent Taxpayer, including without limitation, the right to file and/or prosecute and/or defend any claims and proofs of claims, to vote to accept or reject a plan, to seek dismissal of the Proceeding, to seek stay relief to commence or continue foreclosure or pursue any other available remedies as to the Series 2026 Assessments relating to the Series 2026 Bonds Outstanding, to seek substantive consolidation, to seek to shorten the applicable 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 applicable Proceeding by the Trustee or any valuations of the lands owned by any applicable Insolvent Taxpayer submitted in good faith by the Trustee in such applicable Proceeding or take any other action in such applicable Proceeding, which is adverse to the Trustee's enforcement of the District's claim and rights with respect to the Series 2026 Assessments relating to the Series 2026 Bonds 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 in the Indenture that the Trustee shall have the right (i) to file a proof of claim with respect to the Series 2026 Assessments, (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 of this subsection, nothing in the provisions of this subsection shall preclude the District from becoming a party to an applicable Proceeding in order to enforce a claim for Operation and Maintenance Assessments, and the District shall be free to pursue such a claim in such a manner as it shall deem appropriate in its sole and absolute discretion; provided, however, that such claim shall not affirmatively seek to reduce the amount or receipt of Series 2026 Assessments. Any actions taken by the District in pursuance of its claim for Operation and Maintenance Assessments in any applicable Proceeding shall not be considered an action adverse or inconsistent with the Trustee's rights or consents with respect to the Series 2026 Assessments relating to the Series 2026 Bonds 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 subparagraph (b)(iv) above.

Re-Assessment

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

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ENFORCEMENT OF ASSESSMENT COLLECTIONS

General

The primary source of payment for the Series 2026 Bonds is the collection of the Series 2026 Assessments (“Special Assessments”) imposed on certain lands in the District specially benefited by the Series 2026 Project pursuant to the Assessment Proceedings relating to the Series 2026 Bonds (the “Series 2026 Assessment Proceedings”). See “ASSESSMENT METHODOLOGY AND ALLOCATION OF ASSESSMENTS” herein and “APPENDIX B – ASSESSMENT REPORTS.”

The imposition, levy, and collection of Special Assessments must be done in compliance with the provisions of Florida law. Failure by the District, the Sarasota County Tax Collector (“Tax Collector”) or the Sarasota County Property Appraiser (“Property Appraiser”) to comply with such requirements could result in delay in the collection of, or the complete inability to collect, Special Assessments during any year. Such delays in the collection of Series 2026 Assessments, or complete inability to collect any 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 2026 Bonds. See “BONDOWNERS’ RISKS” herein. To the extent that landowners fail to pay the 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 2026 Bonds.

For the Special Assessments to be valid, the Special Assessments must meet two requirements: (1) the benefit from the Series 2026 Project to the lands subject to the Special Assessments must exceed or equal the amount of the Series 2026 Assessments, and (2) the Special Assessments must be fairly and reasonably allocated across all such benefited properties. The Certificates of the Assessment Consultant and District Engineer to be delivered upon the issuance of the Series 2026 Bonds, will certify that these requirements have been met with respect to the Special Assessments. In the event that the Special Assessments are levied based on the assumptions that future contributions will be made, or that future assessments may be levied to secure future bond issuance, the Special Assessments may need to be reallocated in the event such contributions are not made and/or future assessments and bonds are not levied and issued.

Pursuant to the Act and the Series 2026 Assessments, the District may collect the Series 2026 Assessment Proceedings through a variety of methods. See “BONDOWNERS’ RISKS” herein. Initially, and for undeveloped properties, the District will directly issue annual bills to landowners requiring payment of the Series 2026 Assessments, and will enforce that bill through foreclosure proceedings. See “ASSESSMENT METHODOLOGY AND ALLOCATION OF ASSESSMENTS” herein and “APPENDIX B” hereto. For platted lands, the Special Assessments will be added to the County tax roll and collected pursuant to the Uniform Method. The following is a description of certain statutory provisions relating to each of these collection methods. Such description is not intended to be exhaustive and is qualified in its entirety by reference to such statutes.

Direct Billing & Foreclosure Procedure

As noted above, and pursuant to Chapters 170 and 190 of the Florida Statutes, the District may directly levy, collect and enforce the 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 its annual installment of principal and/or interest of a special assessment due, including the 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 Special Assessments such as the Series 2026 Assessments and the ability to foreclose the lien of such Series 2026 Assessments upon the failure to pay such Series 2026 Assessments may not be readily available or may be limited because enforcement is dependent upon judicial action which is often subject to discretion and delay. Additionally, there is no guarantee that there will be demand for any foreclosed lands sufficient to repay the Special Assessments. See “BONDOWNERS’ RISKS” herein.

Uniform Method Procedure

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

If the Uniform Method of collection is used, the 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 Special Assessments – are to be billed, and landowners in the District are required to pay, all Taxes and Assessments without preference in payment of any particular increment of the tax bill, such as

the increment owing for the Special Assessments. In other words, any partial prepayment by a landowner must be distributed in equal proportion to all taxing districts and levying authorities.

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 Special Assessments are to be collected pursuant to the Uniform Method, any failure to pay any one line item, would cause the Series 2026 Assessments to not be collected to that extent, which could have a significant adverse effect on the ability of the District to make full or punctual payment of the Debt Service requirements on the Series 2026 Bonds.

Under the Uniform Method, if the 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. No discount is given for payment in March or later. All unpaid Taxes and Assessments become delinquent on April 1 of the year following assessment.

The Tax Collector is required to collect the Taxes and Assessments on the tax bill prior to April 1 and, after that date, to institute statutory procedures upon delinquency to collect such Taxes and Assessments through the sale of "tax certificates," as discussed below. Delay in the mailing of tax notices to taxpayers may result in a delay throughout this process. Neither the District nor the Underwriter can give any assurance to the holders of the Series 2026 Bonds (1) that the past experience of the Tax Collector with regard to tax and special assessment delinquencies is applicable in any way to the Special Assessments, (2) that future landowners and taxpayers in Assessment Area One will pay such Special Assessments, (3) that a market may exist in the future for tax certificates in the event of sale of such certificates for taxable units within Assessment Area One, and (4) that the eventual sale of tax certificates for real property within Assessment Area One, if any, will be for an amount sufficient to pay amounts due under the Special Assessment Proceedings to discharge the lien of the Series 2026 Assessments and all other liens that are coequal therewith.

Collection of delinquent 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 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 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 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 a redemption are paid to the Tax Collector who transmits to the holder of the tax certificate such proceeds less service charges, and the certificate is canceled. Redemption of tax certificates held by the County is effected by purchase of such certificates from the County, as described above.

For any holder, other than the County, a tax certificate expires seven years after the date of issuance, if a tax deed has not been applied for, and no other administrative or legal proceeding, including a bankruptcy, has existed of record. After an initial period ending two years from April 1 of the year of issuance of a certificate, during which period actions against the land are held in abeyance to allow for sales and redemptions of tax certificates, and before the expiration of seven years from the date of issuance, the holder of a certificate may apply for a tax deed to the subject land. The applicant is required to pay to the Tax Collector at the time of application all amounts required to redeem or purchase all other outstanding tax certificates covering the land, plus interest, any omitted taxes or delinquent taxes and interest, and current taxes, if due (as well as any costs of resale, if applicable). If the County holds a tax certificate on property valued at \$5,000 or more and has not succeeded in selling it, the County must apply for a tax deed two years after April 1 of the year of issuance of the certificate or as soon thereafter as is reasonable. The County pays costs and fees to the Tax Collector but not any amount to redeem any other outstanding certificates covering the land. Thereafter, the property is advertised for public sale.

In any such public sale conducted by the Clerk of the Circuit Court, the private holder of the tax certificate who is seeking a tax deed for non-homestead property is deemed to submit a minimum bid equal to the amount required to redeem the tax certificate, charges for the cost of sale, including costs incurred for the service of notice required by statute, redemption of other tax certificates on the land, and all other costs to the applicant for the tax deed, plus interest thereon. In the case of homestead property, the minimum bid is also deemed to include, in addition to the amount of money required for the minimum bid on non-homestead property, an amount equal

to one-half of the latest assessed value of the homestead. If there are no higher bids, the holder receives title to the land, and the amounts paid for the certificate and in applying for a tax deed are credited toward the purchase price. The holder is also responsible for payment of any amounts included in the bid not already paid, including but not limited to, documentary stamp tax, recording fees, and, if property is homestead property, the moneys to cover the one-half value of the homestead. If there are other bids, the holder may enter the bidding. The highest bidder is awarded title to the land. The portion of proceeds of such sale needed to redeem the tax certificate, together with all subsequent unpaid taxes plus the costs and expenses of the application for deed, with interest on the total of such sums, are forwarded to the holder thereof or credited to such holder if such holder is the successful bidder. Excess proceeds are distributed first to satisfy governmental liens against the land and then to the former title holder of the property (less service charges), lienholder of record, mortgagees of record, vendees of recorded contracts for deeds, and other lienholders and any other person to whom the land was last assessed on the tax roll for the year in which the land was assessed, all as their interest may appear.

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

If there are no bidders at the public sale, the clerk shall enter the land on a list entitled "lands available for taxes" and shall immediately notify the County Commission that the property is available. At any time within ninety (90) days from the date the property is placed on the list, the County may purchase the land for the opening bid, or may waive its rights to purchase the property. Thereafter, and without further notice or advertising, any person, the County or any other governmental unit may purchase the land by paying the amount of the opening bid. Ad valorem taxes and non-ad valorem assessments accruing after the date of public sale do not require repetition of the bidding process but are added to the minimum bid. Three (3) years from the date the land was offered for public sale, unsold lands escheat to the County in which they are located, free and clear. All tax certificates, accrued taxes, and liens of any nature against the property are canceled and a tax 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 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 Assessment Area One may affect the demand for certificates and the successful collection of the Special Assessments, which are the primary source of payment of the Series 2026 Bonds. Additionally, legal proceedings under federal bankruptcy law brought by or against a landowner who has not yet paid his or her property taxes or assessments would likely result in a delay in the sale of tax certificates. See "BONDOWNERS' RISKS" herein.

ESTIMATED SOURCES AND USES OF BOND PROCEEDS

Sources:

Par Amount of Series 2026 Bonds	\$
[Less/Plus][Net] Original Issue [Discount/Premium]	
Total Sources	

Uses:

Deposit to Series 2026 Acquisition and Construction Account	
Deposit to Series 2026 Reserve Account	
Deposit to Series 2026 Costs of Issuance Account	
Deposit to Series 2026 Capitalized Interest Account*	
Underwriter's Discount	
Total Uses	

* Capitalized interest will be funded through _____ 1, 2026.

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DEBT SERVICE REQUIREMENTS FOR SERIES 2026 BONDS

The following table sets forth the scheduled debt service on the Series 2026 Bonds (rounded to the nearest whole dollar):

Period Ending <u>November 1,</u>	<u>Principal</u> \$	<u>Interest</u> \$	<u>Total Debt Service</u> \$
TOTAL	_____ \$	_____ \$	_____ \$

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 such risks are associated with the Series 2026 Bonds offered hereby and are set forth below. This section does not purport to summarize all risks that may be associated with purchasing or owning the Series 2026 Bonds and prospective purchasers are advised to read this Limited Offering Memorandum, including all appendices hereto, in its entirety to identify investment considerations relating to the Series 2026 Bonds. Prospective investors in the Series 2026 Bonds should have such knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of an investment in the Series 2026 Bonds and have the ability to bear the economic risks of such prospective investment, including a complete loss of such investment.

Limited Pledge

The principal security for the payment of the principal of and interest on the Series 2026 Bonds is the timely collection of the Series 2026 Assessments. Recourse for the failure of any landowner to pay the Series 2026 Assessments, or otherwise fail to comply with its obligations, is limited to the collection proceedings against the land, which proceedings differ depending on whether the Series 2026 Assessments are being collected pursuant to the Uniform Method or directly by the District. The Series 2026 Assessments do not constitute a personal indebtedness of the landowners, but are secured only by a lien on the land subject to the Series 2026 Assessments. The District has not granted, and may not grant under State law, a mortgage or security interest on any land subject to the Series 2026 Assessments. Furthermore, the District has not pledged the revenues, if any, from the operation of any portion of the Series 2026 Project as security for, or a source of payment of, the Series 2026 Bonds. The Developer is not a guarantor of payment of any Series 2026 Assessments and the recourse for the Developer's failure to pay the Series 2026 Assessments on any land owned by the Developer in Assessment Area One, like any landowner, is limited to the collection proceedings against such land. Several mortgage lenders have in the past, raised legal challenges to the primacy of liens similar to those of the Series 2026 Assessments in relation to the liens of mortgages burdening the same real property. There can be no assurance that mortgage lenders will not challenge the priority of the lien status of the Series 2026 Assessments in the event that actions are taken to foreclose on any property in Assessment Area One.

Bankruptcy and Related Risks

The various legal opinions to be delivered concurrently with the delivery of the Series 2026 Bonds (including Bond Counsel's approving opinion) will be qualified as to the enforceability of the various legal instruments by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors enacted before or after such delivery. Under existing constitutional and statutory law and judicial decisions, in the event of the institution of bankruptcy or similar proceedings with respect to any landowner, including the Developer, if applicable, the remedies specified by federal, state and local law and

in the Indenture and the Series 2026 Bonds, including, without limitation, enforcement of the obligation to pay the Series 2026 Assessments, may not be readily available or may be limited. Bankruptcy can also affect the ability of (1) any landowner being able to pay the Series 2026 Assessments, (2) the Tax Collector being able to sell tax certificates related to land owned by a landowner in bankruptcy, to the extent the Uniform Method is being utilized for collecting the Series 2026 Assessments, and (3) the District to foreclose the lien of the Series 2026 Assessments not being collected by the Uniform Method. Any such adverse effect, either partially or fully, on the ability to enforce such remedies, could have a material adverse effect on the District's ability to make the full or punctual payment of Debt Service on the Series 2026 Bonds.

Delay and Discretion Regarding Remedies

The remedies available to the Owners of the Series 2026 Bonds are in many respects dependent upon judicial actions which are often subject to discretion and delay. In addition to legal delays that could result from bankruptcy, the ability of the District to enforce collection of Delinquent Assessments will be dependent upon various factors, including the delay inherent in any judicial proceeding and the value of the land which is the subject of such proceedings and which may be subject to sale. In addition, if the District commences a foreclosure action against a landowner for nonpayment of Series 2026 Assessments, such landowner might raise affirmative defenses to such foreclosure action, which affirmative defenses could result in delays in completing the foreclosure action.

Limitation on Funds Available to Exercise Remedies

In the event of a default by a landowner in payment of Series 2026 Assessments, if the Series 2026 Assessments are not collected under the Uniform Method, a foreclosure may be commenced to collect the delinquent Series 2026 Assessments. It is possible that there will not be sufficient funds to pay for the foreclosure, and/or that funds on deposit under the Indenture may not be used to pay such costs. Under the Code (hereinafter defined), there are limitations on the amount of the Series 2026 Bond proceeds that can be used for such purposes. As a result, there may be insufficient funds for the exercise of remedies.

Determination of Land Value upon Default

To the extent that any portion of the Series 2026 Assessments are being collected by the Uniform Method, the ability of the Tax Collector to sell tax certificates, and to the extent that any portion of the Series 2026 Assessments are not being collected by the Uniform Method, the ability of the District to sell land subject thereto upon foreclosure, both 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. The determination of the benefits to be received by the benefited land within Assessment Area One as a result of implementation and development of the Series 2026 Project is not indicative of the realizable or market value of the land, which value may actually be higher or lower than the assessment of benefits. In other

words, the value of the land could potentially be ultimately less than the debt secured by the Series 2026 Assessments associated with it. To the extent that the realizable or market value of the land 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 sell such land upon foreclosure, may be adversely affected. Such adverse effect could render the District unable to collect Delinquent Assessments, if any, and could negatively impact the ability of the District to make the full or punctual payment of Debt Service on the Series 2026 Bonds.

Landowner Challenge of Assessed Valuation

State law provides both administrative and judicial procedures whereby a taxpayer may contest the assessed valuation of his or her property determined by the Property Appraiser. If the individual property owner believes that his or her property has not been appraised at just value, the owner may (i) request an informal conference with the Property Appraiser to resolve the issue, (ii) file a petition with the clerk of the county value adjustment board, or (iii) appeal to the Circuit Court within sixty (60) days of the certification for collection of the tax roll or within sixty (60) days of the issuance of a final decision by the value adjustment board. A petitioner before the value adjustment board who challenges the assessed value of property must pay all non-ad valorem assessments and make a partial payment of at least 75% of the ad valorem taxes, less any applicable discount, before the taxes become delinquent. Before any judicial action to contest a tax assessment may be brought, the taxpayer shall pay to the tax collector not less than the amount of the tax which the taxpayer admits in good faith to be owing. During any such proceeding, all procedures for the collection of the unpaid taxes are suspended until the petition or suit is resolved. This could result in a delay in the collection of all or any portion of the Series 2026 Assessments which could have a material adverse effect upon the ability of the District to make full or punctual payment of the Debt Service on the Series 2026 Bonds.

Failure to Comply with Assessment Proceedings

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

Other Taxes

The willingness and/or ability of a landowner within Assessment Area One to pay the Series 2026 Assessments could be affected by the existence of other taxes and assessments imposed upon the property. Public entities whose boundaries overlap those of the District, such as a county, a school board, a municipality and other special districts, could, without the consent of the owners of the land within Assessment Area One, impose additional taxes or assessments on the property within Assessment Area One. County, municipal, school and special district taxes and assessments, including the Series 2026 Assessments, and voter-approved ad valorem taxes levied to pay principal of and interest on bonds are payable at the same time when collected under 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, the taxpayer cannot designate specific line items on the tax bill as deemed paid in full. Therefore, any failure by a landowner to pay any one line item, whether or not it is the Series 2026 Assessments, would result in such landowner's assessments to not be collected to that extent, which could have a significant adverse impact on the District's ability to make full or punctual payment of Debt Service on the Series 2026 Bonds.

Subject to certain conditions precedent, the District may impose additional debt assessments which could encumber the property burdened by all or any portion of the Series 2026 Assessments. See, "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2026 BONDS – Limitation on Parity Bonds – Series 2026 Bonds" herein. The District anticipates imposing operation and maintenance assessments encumbering the same property encumbered by the Series 2026 Assessments. In addition, lands within Assessment Area One may also be subject to assessments by property and homeowners' associations.

Inadequacy of Reserve Account

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

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

Economic Conditions

The proposed development of the 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 subsequent landowners or the District. Although the Developer expects to continue to develop lots to build homes thereon to sell to end users, there can be no assurance that such sales will occur or be realized in the manner currently anticipated.

Concentration of Land Ownership in Assessment Area One

Until further development and lot or home sales take place in Assessment Area One, payment of the Series 2026 Assessments is substantially dependent upon their timely payment by the Developer. At closing of the sale of the Series 2026 Bonds it is expected that all or a substantial portion of the lands within Assessment Area One will continue to be owned either directly or indirectly 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 within Assessment Area One, delays could most likely occur in the payment of Debt Service on the affected Series 2026 Bonds. Such bankruptcy could negatively impact the ability of: (i) the Developer or any other landowner being able to pay the Series 2026 Assessments; (ii) the Tax Collector to sell tax certificates in relation to such property with respect to the Series 2026 Assessments being collected pursuant to the Uniform Method; and (iii) the District to foreclose the lien of any Series 2026 Assessments not being collected pursuant to the Uniform Method. The Series 2026 Assessments levied on unplatted lands will be collected directly by the District and not via the Uniform Method unless the Board determines that such method of collection is not in the best interest of the District or unless, in an Event of Default, the Majority Owners of the Series 2026 Bonds Outstanding direct the District as to the collection method for the Series 2026 Assessments, so long as such method complies with State law.

Undeveloped Land

The lands within Assessment Area One are only partially developed. The ultimate successful development completion of the acreage in Assessment Area One and the remainder of the lands within the District depends on several factors discussed herein. There is no assurance that the Developer and other landowners will be successful in developing part or all of the undeveloped acreage.

Change in Development Plans

The Developer has the right to modify or change plans for development of 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 the District 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.

Bulk Sale of Land in Assessment Area One

The Developer may make bulk sales of all or a portion of the lands owned by it within Assessment Area One at any time. Bulk sale agreements may be canceled or amended, without the consent of the District or any other party. Such changes could affect the purchase price of, delivery timing and/or development of lots within Assessment Area One that are otherwise described herein.

Completion of Series 2026 Project

The Series 2026 Bond proceeds will not be sufficient to finance the completion of the Series 2026 Project or any other portion of the CIP. The portions of the Series 2026 Project not funded with proceeds of the Series 2026 Bonds have been, and are expected to continue to be, funded with contributions from the Developer. There is no assurance that the Developer will be able to pay for the cost of any of these improvements. Upon issuance of the Series 2026 Bonds, the Developer will enter into the Completion Agreement whereby the Developer will agree to complete that portion of the Series 2026 Project that is not financed with proceeds of the Series 2026 Bonds or an additional Series of Bonds subsequently issued by the District, which determination to issue such additional Bonds shall be in the District's sole discretion and is subject to a variety of other factors, many of which are outside of the control of the District. The Developer's obligations under the Completion Agreement are unsecured. See "THE DEVELOPMENT – Land Acquisition/Development Financing" and "SECURITY FOR AND SOURCE OF PAYMENT OF THE SERIES 2026 BONDS – Developer Agreements" herein.

Upon issuance of the Series 2026 Bonds, the Developer will also execute and deliver to the District the Collateral Assignment Agreement pursuant to which the Developer will collaterally assign to the District, to the extent assignable and to the extent that they are solely owned or controlled by the Developer, all of its development rights relating to Assessment Area One as security for the Developer's payment and performance and discharge of its obligation to pay Series 2026 Assessments. However, there can be no assurance that the District will have sufficient moneys on hand to complete the improvements necessary for the development of Assessment Area One or that the District will be able to raise through the issuance of bonds, or otherwise, the moneys necessary to complete the improvements necessary for the development of Assessment Area One or the Series 2026 Project. Undeveloped or partially developed land is inherently less valuable than developed land and provides less security to the owners of the Series 2026 Bonds should it be necessary to institute proceedings due to the nonpayment of the Series 2026 Assessments. Failure to complete or substantial delays in the completion of the development of Assessment Area One or the Series 2026 Project due to litigation or other causes may reduce the value of the lands in the District and increase the length of time during which the Series 2026 Assessments will be payable from undeveloped property and may affect the willingness and ability of the landowner or landowners to pay the Series 2026 Assessments when due and likewise the ability of the District to make full or punctual payment of Debt Service on the Series 2026 Bonds.

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 of the District lands.

The value of the land within the District, the ability to complete the development of Assessment Area One or the Series 2026 Project, or to develop the Development and the likelihood of timely payment of Debt Service on the Series 2026 Bonds could be affected by environmental factors with respect to the lands in 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 District lands. The District has not performed, nor has the District requested that there be performed on its behalf, any independent assessment of the environmental conditions within the District. See, "THE DEVELOPMENT – Environmental Matters" herein.

District May Not be Able to Obtain Permits

In connection with a foreclosure of the 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 above, the District and the Developer will enter into the Collateral Assignment Agreement upon issuance of the Series 2026 Bonds in which the Developer collaterally assigns to the District all of Developer's development rights and contract rights relating to Assessment Area One owned by the Developer. Notwithstanding the foregoing, in the event that the District forecloses on any property subject to the lien of the Series 2026 Assessments to enforce payment thereof, the District may not have the right, title or interest in the permits and approvals owned by the landowner and failure to obtain any such permits or approvals in a timely manner could delay or adversely affect the completion of the development of the lands within Assessment Area One.

Cybersecurity

The District relies on a technological environment to conduct its operations. The District, its agents and other third parties the District does business with or otherwise relies upon are subject to cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. Entities or individuals may

attempt to gain unauthorized access to such parties' digital systems for the purposes of misappropriating assets or information or causing operational disruption and damage. No assurance can be given that any such attack(s) will not materially impact the operations or finances of the District, which could impact the timely payment of Debt Service on the Series 2026 Bonds.

Infectious Viruses and/or Diseases

A novel coronavirus outbreak first identified in 2019 as causing coronavirus disease 2019 ("COVID-19") was characterized by the World Health Organization on March 11, 2020, as a pandemic. Responses to COVID-19 varied at the local, state and national levels. In reaction to the pandemic declaration a variety of federal agencies, along with state and local governments, implemented efforts designed to limit the spread of COVID-19. Since the pandemic declaration, COVID-19 has negatively affected travel, commerce, and financial markets globally, including supply chain, inflation, and labor shortage issues, and could continue to have a lingering negative affect on economic growth and financial markets worldwide, including within the State. Although the World Health Organization no longer considers COVID-19 to be a global public health emergency, how long the foregoing negative impacts will last cannot be determined at this time; however, these negative impacts could reduce property values, slow or cease development and sales within the Development (including Assessment Area One) and/or otherwise have a negative financial impact on the Developer or subsequent landowners. While the foregoing describes certain risks related to the recent outbreak of COVID-19, the same risks may be associated with any contagious epidemic, pandemic or disease.

Damage to District from Natural Disasters

The value of the lands subject to the Series 2026 Assessments could be adversely affected by flooding or wind damage caused by hurricanes, tropical storms, or other catastrophic events. In addition to potential damage or destruction to any existing development or construction in or near the District, such catastrophic events could potentially render the District lands unable to support the development and construction of Assessment Area One and the Series 2026 Project or the balance of the CIP and cause disruptions to the supply chain and insurance market for contractors and homebuyers. The occurrence of any such events could materially adversely affect the District's ability to collect the Series 2026 Assessments and pay Debt Service on the Series 2026 Bonds. The Series 2026 Bonds are not insured and the District's casualty insurance policies do not insure against losses incurred on private lands within its boundaries.

Limited Secondary Market

The Series 2026 Bonds may not constitute a liquid investment, and there is no assurance that a liquid secondary market will exist for the Series 2026 Bonds in the event an owner thereof determines to solicit purchasers of the Series 2026 Bonds. Even if a liquid secondary market exists, there can be no assurance as to the price for which the Series 2026 Bonds may be sold. Such

price may be lower than that paid by the current owner of the Series 2026 Bonds, depending on the progress of the Development, existing market conditions and other factors.

Interest Rate Risk; No Rate Adjustment for Taxability

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

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

IRS Audit and Examination Risk

The Internal Revenue Service (the "IRS") routinely examines bonds issued by state and local governments, including bonds issued by community development districts. There is no assurance that an audit by the IRS of the Series 2026 Bonds will not be commenced. The District has no reason to believe that any such audit will be commenced, or that any such audit, if commenced, would result in a conclusion of noncompliance with any applicable State or federal law. Owners of the Series 2026 Bonds are advised that, if the IRS does audit the Series 2026 Bonds, under its current procedures, at least during the early stages of an audit, the IRS will treat the District as the taxpayer, and the owners of the Series 2026 Bonds may have limited rights to participate in such procedure.* The commencement of such an audit could adversely affect the market value and liquidity of the Series 2026 Bonds until the audit is concluded, regardless of the

* Owners of the Series 2026 Bonds are advised to consult with their own tax advisors regarding their rights (if any) with respect to such audit.

ultimate outcome. In addition, in the event of an adverse determination by the IRS with respect to the tax-exempt status of interest on the Series 2026 Bonds, it is unlikely the District will have available revenues to enable it to contest such determination or enter into a voluntary financial settlement with the IRS. An adverse determination by the IRS with respect to the tax-exempt status of interest on the Series 2026 Bonds may adversely impact any secondary market for the Series 2026 Bonds, and, if a secondary market exists, will likely adversely impact the price for which the Series 2026 Bonds may be sold.

It has been reported that the IRS has closed audits of other community development districts in the State with no change to such districts' bonds' tax exempt status, but has advised such districts that such districts must have public electors within the timeframe established by applicable State law or their bonds may be determined to be taxable retroactive to the date of issuance. Pursuant to the Act, general elections are not held until the later of six (6) years from the date of establishment of the community development district or the time at which there are at least 250 qualified electors in the district. The District was formed with the intent that it will contain a sufficient number of residents to allow for a transition to control by a general electorate. Currently, all of the members of the Board of the District were elected or appointed by the landowners and none were elected or appointed by qualified electors.

Florida Village Center CDD TAM

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 (the "Village Center CDD"). During the course of the audit of the Audited Bonds, Village Center CDD received a ruling dated May 30, 2013, in the form of a non-precedential technical advice memorandum ("TAM") concluding that Village Center CDD is not a political subdivision for purposes of Section 103(a) of the Code because Village Center CDD was organized and operated to perpetuate private control and avoid indefinitely responsibility to an electorate, either directly or through another elected state or local government body. Such a conclusion could lead to the further conclusion that the interest on the Audited Bonds was not excludable from gross income of the owners of such bonds for federal income tax purposes. Village Center CDD received a second TAM dated June 17, 2015, which granted relief to Village Center CDD from retroactive application of the IRS's conclusion regarding its failure to qualify as a political subdivision. Prior to the conclusion of the audits, the Audited Bonds were all refunded with taxable bonds. The audit of the Audited Bonds that were issued for utility improvements were closed without change to the tax-exempt status of those Audited Bonds on April 25, 2016, and the audit of the remainder of the Audited Bonds (which funded recreational amenity acquisitions from entities related to the principal landowner in the Village Center CDD) was closed on July 14, 2016, without the IRS making a final determination that the interest on the Audited Bonds in question was required to be included in gross income. However, the IRS letter to the Village Center CDD with respect to this second set of Audited Bonds noted that the IRS found that the Village Center CDD was not a "proper issuer of tax-exempt bonds" and that those Audited Bonds were private-activity bonds that did not fall in any of the categories that qualify for tax-exemption. Although the TAMs and the letters to the Village Center CDD from the IRS referred

to above are addressed to, and binding only on, the IRS and Village Center CDD in connection with the Audited Bonds, they reflect the audit position of the IRS, and there can be no assurance that the IRS would not commence additional audits of bonds issued by other community development districts raising issues similar to the issues raised in the case of the Audited Bonds based on the analysis set forth in the first TAM or on the related concerns addressed in the July 14, 2016 letter to the Village Center CDD.

Legislative Proposals and State Tax Reform

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

It is impossible to predict what new proposals may be presented regarding ad valorem tax reform and/or community development districts during upcoming 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 of the State, and, if adopted, the form thereof. It is impossible to predict with certainty the impact that any pending or future legislation will or may have on the security for, or marketability of, the Series 2026 Bonds.

Loss of Exemption from Securities Registration

Since the Series 2026 Bonds have not been, and will not be, registered under the Securities Act, or any state securities laws, because of 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 the federal and state securities laws. Accordingly, the District and purchasers of the Series 2026 Bonds may not be able to rely on the exemption from registration relating to securities issued by political

subdivisions. In that event, the owners of the Series 2026 Bonds would need to ensure that subsequent transfers of the Series 2026 Bonds are made pursuant to a transaction that is not subject to the registration requirements of the Securities Act.

Prepayment and Redemption Risk

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

Although not obligated to do so, the Developer currently anticipates prepaying a portion of the Series 2026 Assessments at or prior to the time of closing a home with a retail buyer. See “ASSESSMENT METHODOLOGY AND ALLOCATION OF ASSESSMENTS” herein for the estimated Series 2026 Assessments to be levied on lands within Assessment Area One.

Performance of District Professionals

The District has represented to the Underwriter that it has selected its District Manager, District Counsel, Bond 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 requisite experience to accurately and timely perform the duties assigned to them in such roles, neither the District nor the Underwriter guarantees the performance of such professionals.

Mortgage Default and FDIC

In the event a bank forecloses on a property in Assessment Area One because of a default on a mortgage with respect thereto and then the bank itself fails, the Federal Deposit Insurance Corporation (the “FDIC”), as receiver, will then become the fee owner of such property. In such event, the FDIC will not, pursuant to its own rules and regulations, likely be liable to pay the Series 2026 Assessments. In addition, the District would be required to obtain the consent of the FDIC prior to commencing a foreclosure action on such property for failure to pay the Series 2026 Assessments.

The risks described under this “BONDOWNERS’ RISKS” section does not purport to summarize all risks that may be associated with purchasing or owning the Series 2026 Bonds and prospective purchasers are advised to read this Limited Offering Memorandum in its entirety, to

visit the District and to ask questions of representatives of the District to obtain a more complete description of investment considerations relating to the Series 2026 Bonds.

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TAX MATTERS

Opinion of Bond Counsel

In the opinion of Bond Counsel, as more fully described below, under existing law and assuming continuing compliance by the District with certain tax covenants, the interest on the Series 2026 Bonds is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") and is not treated as an item of tax preference for purposes of computing the federal alternative minimum tax imposed on individuals under the Code; however, the interest on the Series 2026 Bonds is included in the "adjusted financial statement income" of certain corporations on which the federal alternative minimum tax is imposed under the Code.

The foregoing opinions of Bond Counsel are subject to the condition that the District complies with all requirements of the Code that must be satisfied subsequent to the issuance of the Series 2026 Bonds in order for interest on the Series 2026 Bonds to be excludable from gross income for federal income tax purposes. The District has covenanted to comply with such requirements.

The scope of the foregoing opinions of Bond Counsel is limited to matters addressed above and no opinion is expressed by Bond Counsel regarding other federal income tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Series 2026 Bonds. In rendering such opinions, Bond Counsel further assumes and relies upon (i) without undertaking to verify the same by independent investigation, the accuracy of the representations, statements of intention and reasonable expectation, and certifications of fact of the District with respect to matters affecting the excludability of interest on the Series 2026 Bonds from gross income for federal income tax purposes under the Code; and (ii) continuing compliance by the District with the applicable requirements of the Code as to such tax matters and certain procedures, agreements and covenants that must be met subsequent to the issuance of the Series 2026 Bonds in order that interest on the Series 2026 Bonds be and remain excludable from gross income for federal income tax purposes.

In addition, in rendering the foregoing opinions, Bond Counsel will also assume and rely on, without undertaking to verify the same by independent investigation, the truthfulness, accuracy and completeness of certain agreements, covenants, certifications, representations, and statements of intention and reasonable expectation provided as of the date of issuance of the Series 2026 Bonds by the Developer, as the primary landowner and developer of the residential lands within Assessment Area One, and certain certifications of the District's District Engineer and the District provided as of the date of issuance of the Series 2026 Bonds.

Bond Counsel has not been engaged or retained to monitor post-issuance compliance. Failure of the District to comply with such requirements may cause the interest on the Series 2026 Bonds to not be excludable from gross income for federal income tax purposes retroactively to

the date of issuance of the Series 2026 Bonds irrespective of the date on which such noncompliance occurs or is ascertained.

Bond Counsel's opinions set forth above are based upon current facts and circumstances, and upon existing law and interpretations thereof, as of the date such opinions are delivered and Bond Counsel assumes no affirmative obligation to update, revise or supplement such opinions to reflect any action thereafter taken or not taken or if such facts or circumstances, or laws or interpretations thereof, change after the date of such opinions, including, without limitation, changes that adversely affect the excludability of interest on the Series 2026 Bonds, even if such actions, inactions or changes come to Bond Counsel's attention. Further, such opinions are limited solely to the matters stated therein, and no opinion is to be implied or is intended beyond the opinions expressly stated therein. Moreover, the opinion of Bond Counsel is only an opinion and not a warranty or guaranty of the matters discussed or of a particular result and is not binding on the Internal Revenue Service (the "IRS") or the courts. See also "LEGAL MATTERS" herein.

Prospective purchasers of the Series 2026 Bonds should also be aware that ownership of the Series 2026 Bonds may result in adverse tax consequences under the laws of various states and local jurisdictions. Bond Counsel expresses no opinion regarding any state or local tax consequences of acquiring, carrying, owning or disposing of the Series 2026 Bonds. Prospective purchasers of the Series 2026 Bonds should consult their tax advisors as to any state and local tax consequences to them of owning the Series 2026 Bonds.

Reference is made to the proposed form of the opinion of Bond Counsel attached hereto as "APPENDIX D—Form of Opinion of Bond Counsel" for the complete text thereof.

Certain Collateral Federal Income Tax Consequences

The following is a brief discussion of certain collateral federal income tax matters with respect to the Series 2026 Bonds. It does not purport to address all aspects of federal taxation that may be relevant to a particular owner of any Series 2026 Bonds. Bond Counsel has not expressed an opinion regarding the collateral federal income tax consequences that may arise with respect to the Series 2026 Bonds.

Prospective purchasers of the Series 2026 Bonds should be aware that ownership of, receipt or accrual of interest on, or disposition of, tax-exempt obligations may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain S Corporations with "excess net passive income" and foreign corporations subject to the branch profits tax, individuals eligible to receive the earned income tax credit, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry the Series 2026 Bonds.

Information Reporting and Backup Withholding

Interest paid on tax-exempt obligations is subject to information reporting to the IRS in a manner similar to interest paid on taxable obligations. This reporting requirement does not affect the excludability of interest on the Series 2026 Bonds from gross income for federal income tax purposes. However, in conjunction with that information reporting requirement, the Code subjects certain non-corporate owners of Series 2026 Bonds, under certain circumstances, will be subject to “backup withholding” with respect to payments on the Series 2026 Bonds and proceeds from the sale of the Series 2026 Bonds. Any amounts so withheld would be refunded or allowed as a credit against the federal income tax of such owner of the Series 2026 Bonds. This withholding generally applies if the owner of the Series 2026 Bonds (i) fails to furnish the paying agent (or other person who would otherwise be required to withhold tax from such payments) such owner’s social security number or other taxpayer identification number (“TIN”), (ii) furnishes the paying agent an incorrect TIN, (iii) fails to properly report interest, dividends, or other “reportable payments” as defined in the Code, or (iv) under certain circumstances, fails to provide the paying agent or such owner’s securities broker with a certified statement, signed under penalty of perjury, that the TIN provided is correct and that such owner is not subject to backup withholding.

Prospective purchasers of the Series 2026 Bonds may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding and the procedures for obtaining exemptions.

Original Issue Premium

The Series 2026 Bonds maturing on May 1 in the years 20__ through and including 20__ (collectively, the “Premium Bond[s]”) were offered and sold to the public at a price in excess of their stated redemption price (the principal amount) at maturity. That excess constitutes bond premium. For federal income tax purposes, bond premium is amortized over the period to maturity of a Premium Bond, based on the yield to maturity of that Premium Bond (or, in the case of a Premium Bond callable prior to its stated maturity, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on that Premium Bond), compounded semiannually. No portion of that bond premium is deductible by the owner of a Premium Bond. For purposes of determining the owner’s gain or loss on the sale, redemption (including redemption at maturity) or other disposition of a Premium Bond, the owner’s tax basis in the Premium Bond is reduced by the amount of bond premium that accrues during the period of ownership. As a result, an owner may realize taxable gain for federal income tax purposes from the sale or other disposition of a Premium Bond for an amount equal to or less than the amount paid by the owner for that Premium Bond. A purchaser of a Premium Bond in the initial public offering at the price for that Premium Bond who holds that Premium Bond to maturity (or, in the case of a callable Premium Bond, to its earlier call date that results in the lowest yield on that Premium Bond) will realize no gain or loss upon the retirement of that Premium Bond.

The federal income tax treatment of original issue premium under the Code, including the determination of the amount of amortizable bond premium that is allocable to each year, is complicated. Purchasers of Premium Bonds should consult their own tax advisors regarding the treatment of bond premium for federal income tax purposes, including various special rules relating thereto, and the state and local tax consequences, in connection with the acquisition, ownership, amortization of bond premium on, sale, exchange or other disposition of, Premium Bonds.

The federal income tax consequences of the purchase, ownership and redemption, sale or other disposition of Premium Bonds which are not purchased in the initial offering may be determined according to rules which differ from those described above.

Original Issue Discount

The Series 2026 Bonds maturing on May 1 in the years 20__ through and including 20__ (collectively, the "Discount Bond[s]") were sold at prices less than the stated principal amounts thereof. The difference between the principal amount of the Discount Bonds and price to the public, excluding underwriters and related parties thereto, at which price a substantial amount of such Discount Bonds of the same maturity was sold, is "original issue discount." Original issue discount represents interest which is excluded from gross income for federal income tax purposes to the same extent and subject to the same considerations discussed above as to stated interest on the Series 2026 Bonds. Such interest is taken into account for purposes of determining the alternative minimum tax liability, and other collateral tax consequences, although the owner of such Discount Bonds may not have received cash in such year. Original issue discount will accrue over the term of a Discount Bond at a constant interest rate compounded on interest payment dates. A purchaser who acquires a Discount Bond in the initial offering at a price equal to the initial offering price thereof will be treated as receiving an amount of interest excludable from gross income for federal income tax purposes to the same extent as interest payable on such Discount Bond equal to the original issue discount accruing during the period such purchaser holds such Discount Bond and will increase its adjusted basis in such Discount Bond by the amount of such accruing discount for purposes of determining taxable gain or loss on the sale or other disposition of such Discount Bond.

Purchasers of Discount Bonds should consult their own tax advisors regarding the treatment for federal income tax purposes of interest accrued upon sale, redemption or the disposition of Discount Bonds, including various special rules relating thereto, and the state and local tax consequences, in connection with the acquisition, ownership, accrual of discount on, sale, exchange or other disposition of, Discount Bonds.

The federal income tax consequences of the purchase, ownership and redemption, sale or other disposition of Discount Bonds which are not purchased in the initial offering may be determined according to rules which differ from those described above.

Miscellaneous

Bond Counsel gives no assurance that any future legislation or clarifications or amendments to the Code, if enacted into law or that otherwise become effective, will not cause the interest on the Series 2026 Bonds to be subject, directly or indirectly, to federal income taxation or otherwise prevent the Owners of the Series 2026 Bonds from realizing the full current benefit of the tax status of the interest on the Series 2026 Bonds. During recent years, legislative proposals have been introduced in Congress, and in some cases have been enacted, that have altered or could alter certain federal tax consequences of owning obligations similar to the Series 2026 Bonds. In some cases, these proposals have contained provisions that were to be applied on a retroactive basis. It is possible that legislation could be introduced, including in the near term, that, if enacted, or that otherwise becomes effective, could change the federal tax consequences of owning the Series 2026 Bonds and, whether or not enacted, could adversely affect their market value. Prospective purchasers of the Series 2026 Bonds are encouraged to consult their own tax advisors regarding any pending or proposed federal legislation, as to which Bond Counsel expresses no view.

The IRS has established an on-going program to audit tax-exempt obligations to determine whether interest on such obligations is includible in gross income for federal income tax purposes. In addition, reference is made to "BONDOWNERS' RISKS – 'IRS Audit and Examination Risk,' 'Florida Village Center CDD TAM,' and 'Legislative Proposals and State Tax Reform'" herein, regarding recent developments with respect to certain special district financings and special districts in Florida. No assurances can be given as to whether or not the IRS will open an audit of the Series 2026 Bonds to determine whether the interest thereon is includible in gross income for federal income tax purposes or as to whether the IRS would agree with the opinions of Bond Counsel, as described herein. If the IRS opens an audit of the Series 2026 Bonds, under current IRS procedures, the IRS will treat the District as the taxpayer, and the Owners of the Series 2026 Bonds may have no right to participate. The Indenture does not require the District to redeem the Series 2026 Bonds or to pay any additional interest or penalty in the event the interest on the Series 2026 Bonds becomes taxable.

The federal income tax consequences from the purchase, ownership and redemption, sale or other disposition of Series 2026 Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those described above. Purchasers of the Series 2026 Bonds at other than their original issuance at the respective prices indicated on the cover of this Limited Offering Memorandum should consult their own tax advisors regarding other tax considerations.

PURCHASE, OWNERSHIP, SALE OR DISPOSITION OF THE SERIES 2026 BONDS AND THE RECEIPT OR ACCRUAL OF THE INTEREST THEREON MAY HAVE ADVERSE FEDERAL TAX CONSEQUENCES FOR CERTAIN INDIVIDUAL AND CORPORATE OWNERS, INCLUDING, BUT NOT LIMITED TO, THE CONSEQUENCES DESCRIBED ABOVE. PROSPECTIVE OWNERS SHOULD CONSULT WITH THEIR TAX SPECIALISTS FOR INFORMATION IN THAT REGARD.

DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS

Section 517.051, Florida Statutes, and the regulations promulgated thereunder (the “Disclosure Act”) 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 Series 2026 Bonds are the first debt obligations to be issued by the District; therefore, the District is not and has not ever been in default as to principal and interest on any bonds or other debt obligations.

NO RATING OR CREDIT ENHANCEMENT

The Series 2026 Bonds are neither rated nor credit enhanced. No application for a rating or credit enhancement with respect to the Series 2026 Bonds was made.

VALIDATION

The Bonds issued pursuant to the terms of the Master Indenture, which includes the Series 2026 Bonds, were validated by a Final Judgment in the Circuit Court of the Twelfth Judicial Circuit of the State of Florida, in and for Sarasota County, Florida, rendered on November 6, 2025. The appeal period for the final judgment has expired with no appeal having been taken.

LITIGATION

The District

There is no litigation now pending or, to the knowledge of the District, threatened, seeking to restrain or enjoin the issuance, sale, execution or delivery of the Series 2026 Bonds, or in any way contesting or affecting (i) the validity of the Series 2026 Bonds, or any proceedings of the District taken with respect to the issuance or sale thereof, (ii) the pledge or application of any moneys or security provided for the payment of the Series 2026 Bonds, (iii) the existence or powers of the District, or (iv) the validity of the Series 2026 Assessment Proceedings.

The Developer

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

CONTINUING DISCLOSURE

In order to assist the Underwriter in complying with the continuing disclosure requirements of Rule 15c2-12(b)(5) of the Securities and Exchange Commission (the “SEC Rule”), the District, the Developer and Disclosure 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 has covenanted for the benefit of the Beneficial Owners to provide to the Dissemination Agent certain financial information and operating data relating to the District and the Series 2026 Bonds in each year (the “District Annual Report”), and to provide notices of the occurrence of certain enumerated material events. Such covenants by the District shall only apply, with respect to the Series 2026 Bonds, so long as the Series 2026 Bonds remain Outstanding under the Indenture.

Pursuant to the Disclosure Agreement, the Developer has covenanted for the benefit of the Beneficial Owners to provide to the District and the Dissemination Agent certain financial information and operating data relating to the Developer and the Development (including, particularly, Assessment Area One) in each year (each a “Developer Report”). Such covenant by the Developer will apply only until the earlier to occur of (x) the payment and redemption of the Series 2026 Bonds, or (y) the date on which the Developer owns less than twenty percent (20%) of the real property encumbered by the Series 2026 Assessments that secure the Series 2026 Bonds; provided, however, that the Developer has covenanted and agreed in the Disclosure Agreement that if the Developer sells, assigns or otherwise transfers ownership of real property in Assessment Area One to a third party, the Developer will require the third party to comply with the disclosure obligations of the Developer under the Disclosure Agreement to the extent such third party will be an Obligated Person (as defined in the Disclosure Agreement).

The District Annual Report and each Developer Report (together, 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 District or 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 by the District, the Developer and the Dissemination Agent at the time of issuance of the Series 2026 Bonds. The foregoing covenants have been made in order to assist the Underwriter in complying with the SEC Rule. A default under the Continuing Disclosure Agreement by any party thereto does not constitute a default under the Indenture.

With respect to the Series 2026 Bonds, no parties other than the District and the Developer are obligated to provide, nor are expected to provide, any continuing disclosure information with respect to the SEC Rule.

District Continuing Compliance

During the five (5) years immediately preceding the issuance of the Series 2026 Bonds, the District has not been subject to any continuing disclosure undertakings.

Developer Continuing Compliance

During the five (5) years immediately preceding the issuance of the Series 2026 Bonds, the Developer has been subject to continuing disclosure undertakings with respect to the issuance of bonds by other community development districts in the State. In connection with the delivery of the Series 2026 Bonds, the Developer will represent that the Developer has complied in all material respects with such obligations in the previous five (5) years, except that certain quarterly filings and material event filings required to be made thereunder were not filed when due.

Additionally, the Developer will represent, warrant and certify that it has procedures in place with respect to complying with its disclosure obligations and that it anticipates satisfying all future disclosure obligations required pursuant to the Disclosure Agreement and the SEC Rule.

UNDERWRITING

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

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

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LEGAL MATTERS

The Series 2026 Bonds are offered for delivery when, as and if issued by the District and accepted by the Underwriter, subject to prior sale, withdrawal or modification of the offer without notice and the receipt of the opinion of Holland & Knight LLP, West Palm Beach, Florida, Bond Counsel, the proposed form of which is attached hereto as APPENDIX D, as to the validity of the Series 2026 Bonds and the excludability of interest thereon from gross income for federal income tax purposes. Certain legal matters will be passed upon for the District by its counsel, Kutak Rock LLP, Tallahassee, Florida, for the Developer by its counsel, J. Wayne Crosby, P.A., Winter Park, Florida, for the Trustee by its counsel, Squire Patton Boggs, Miami Florida, and for the Underwriter by its counsel, Bryant Miller Olive P.A., Orlando, Florida.

Bond Counsel's opinions included herein are based on existing law, which is subject to change. Such opinions are further based on factual representations made to Bond Counsel as of the date of such opinions. Bond Counsel assumes no duty to update or supplement its opinions to reflect any facts or circumstances that may thereafter come to Bond Counsel's attention, or to reflect any changes in law that may thereafter occur or become effective. Moreover, Bond Counsel's opinions are not guarantees of a particular result, and are not binding on the Internal Revenue Service or the courts; rather, such opinions represent Bond Counsel's professional judgment based on its review of existing law, and in reliance on the representations and covenants that it deems relevant to such opinions.

AGREEMENT BY THE STATE

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

NO FINANCIAL STATEMENTS

To date, the District has not met the requirements necessary under State law to prepare audited financial statements. However, the District has covenanted in the form of Disclosure Agreement set forth in APPENDIX E attached hereto to provide its annual audited financial statements to certain information repositories as described in APPENDIX E, commencing with the audit for the District fiscal year ending September 30, 2026. The Series 2026 Bonds are not general obligation bonds of the District and are payable solely from the Series 2026 Pledged Revenues. See "CONTINUING DISCLOSURE" herein.

EXPERTS AND CONSULTANTS

The references herein to Atwell, LLC, as the District Engineer, have been approved by said firm. The Engineer's Reports prepared by such firm relating to the CIP and the Series 2026 Project have 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 Reports do not purport to be adequate summaries of the CIP or the Series 2026 Project or complete in all respects. Such Engineer's Reports are an integral part of this Limited Offering Memorandum and should be read in their entirety for complete information with respect to the subjects discussed therein.

The references herein to JPWard and Associates, LLC, as the Assessment Consultant, have been approved by said firm. The Assessment Consultant's Assessment Reports prepared by such firm relating to the issuance of the Series 2026 Bonds have been included as APPENDIX B attached hereto in reliance upon such firm as an expert in developing assessment methodologies. References to and excerpts herein from such reports do not purport to be adequate summaries of such reports or complete in all respects. Such reports are an integral part of this Limited Offering Memorandum and should be read in their entirety for complete information with respect to the subjects discussed therein.

DISCLOSURE OF MULTIPLE ROLES

JPWard and Associates, LLC is acting in dual capacities as both District Manager, responsible for the administrative operations of the District and Assessment Consultant. Atwell, LLC, the District Engineer, is also serving as the consulting engineer to the Developer. Kutak Rock LLP, as District Counsel in connection with the Series 2026 Bonds, also represents, and has represented, the Developer from time to time in connection with the establishment of other community development districts.

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 2026 Bonds. Payment of the fees of such professionals, except for the payment of certain fees to District Counsel and the Assessment Consultant, are each contingent upon the issuance of the Series 2026 Bonds.

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 Owners of the Series 2026 Bonds.

The information contained in this Limited Offering Memorandum has been compiled from official and other sources deemed to be reliable, and is believed to be correct as of the date of this Limited Offering Memorandum, but is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, the Underwriter. The Underwriter listed on the cover page hereof has reviewed the information in this Limited Offering Memorandum in

accordance with and as part of its responsibility to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information. The information and expressions of opinion stated herein are subject to change, and neither the delivery of this Limited Offering Memorandum nor any sale made hereunder shall create, under any circumstances, any implication that there has been no change in the matters described herein since the date hereof.

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 is to create, under any circumstances, any implication that there has been no change in the affairs of the District from the date hereof. However, certain parties to the transaction, including the District, will, on the closing date of the Series 2026 Bonds, deliver certificates to the effect that nothing has come to their attention that would lead them to believe that applicable portions of this Limited Offering Memorandum contain an untrue statement of a material fact or omit to state a material fact that should be included herein for the purpose for which this Limited Offering Memorandum is intended to be used, or that is necessary to make the statements contained herein, in light of the circumstances under which they were made, not misleading and to the effect that from the date of this Limited Offering Memorandum to the date of closing of the Series 2026 Bonds that there has been no material adverse change in the information provided.

[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 of the foregoing statements.

**ESPLANADE AT WELLEN PARK COMMUNITY
DEVELOPMENT DISTRICT**

John Wollard, Chair

APPENDIX A

ENGINEER'S REPORTS

APPENDIX B

ASSESSMENT REPORTS

APPENDIX C

**FORMS OF MASTER INDENTURE AND
FIRST SUPPLEMENTAL INDENTURE**

APPENDIX D

FORM OF OPINION OF BOND COUNSEL

APPENDIX E

FORM OF CONTINUING DISCLOSURE AGREEMENT

EXHIBIT D

FORM OF CONTINUING DISCLOSURE AGREEMENT

CONTINUING DISCLOSURE AGREEMENT
(Series 2026 Bonds)

This Continuing Disclosure Agreement (this “Disclosure Agreement”) dated _____, 2026, is executed and delivered by the ESPLANADE AT WELLEN PARK COMMUNITY DEVELOPMENT DISTRICT (the “Issuer”), TAYLOR MORRISON OF FLORIDA, INC., a Florida corporation, and its successors and assigns (the “Developer”) and DISCLOSURE SERVICES, LLC, as Dissemination Agent (the “Dissemination Agent”) in connection with the issuance by the Issuer of its \$_____ aggregate principal amount of Capital Improvement Revenue Bonds, Series 2026 (the “Series 2026 Bonds”). The Series 2026 Bonds are being issued pursuant to a Master Trust Indenture dated as of _____ 1, 2026 (the “Master Indenture”), by and between the Issuer and U.S. Bank Trust Company, National Association, as trustee (the “Trustee”), as amended and supplemented from time to time, and as particularly supplemented with respect to the Series 2026 Bonds by a First Supplemental Trust Indenture by and between the Issuer and the Trustee dated as of _____ 1, 2026 (the “First Supplemental Indenture” and, together with the Master Indenture, the “Indenture”). The Issuer, 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 Issuer, the Developer, and the Dissemination Agent for the benefit of the Beneficial Owners of the Series 2026 Bonds and to assist the Participating Underwriter in complying with the continuing disclosure requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission (the “SEC”) pursuant to the Securities Exchange Act of 1934, as amended from time to time (the “Rule”).

The provisions of this Disclosure Agreement are supplemental and in addition to the provisions of the Indenture with respect to reports, filings and notifications provided for therein, and do not in any way relieve the Issuer, the Trustee or any other person of any covenant, agreement or obligation under the Indenture (or remove any of the benefits thereof) nor shall anything herein prohibit the Issuer, the Trustee or any other person from making any reports, filings or notifications required by the Indenture or any applicable law.

2. Definitions. 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 Report**” shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

“**Assessment Area One**” shall have the meaning ascribed thereto in the Limited Offering Memorandum.

“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 Series 2026 Bonds (including persons holding Series 2026 Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Series 2026 Bonds for federal income tax purposes.

“Business Day” means any day other than a Saturday, Sunday or a day on which the Trustee is required, or authorized or not prohibited by law (including executive orders), to close and is closed, or on any day on which the New York Stock Exchange is closed.

“County Tax Collector” shall mean the Sarasota County Tax Collector.

“Developer Report” shall mean any Developer Report provided by the Developer, its successors or assigns, pursuant to, and as described in, Sections 5 and 6 of this Disclosure Agreement.

“Development” shall have the meaning ascribed thereto in the Limited Offering Memorandum.

“Dissemination Agent” shall mean, initially, Disclosure Services, LLC, acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the Issuer.

“District Manager” shall mean JPWard and Associates, LLC, or a successor District Manager.

“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” means a (a) debt obligation, (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (c) guarantee of an obligation or instrument described in either clause (a) or (b). Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“Fiscal Year” shall mean the period commencing on October 1 and ending on September 30 of the next succeeding year, or such other period of time provided by applicable law.

“Issuer Disclosure Representative” shall mean the District Manager of the Issuer or his/her/its designee, or such other officer or employee as the Issuer shall designate in writing to the Dissemination Agent from time to time.

“Limited Offering Memorandum” shall mean the final offering document relating to the Series 2026 Bonds.

“Listed Events” shall mean any of the events listed in Section 7(a) of this Disclosure Agreement.

“Obligated Person” shall mean any person, including the Issuer and the Developer, who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all or part (twenty percent (20%) or more) of the obligations on the Series 2026 Bonds (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities).

“Participating Underwriter” shall mean the original underwriter of the Series 2026 Bonds required to comply with the Rule in connection with offering of the Series 2026 Bonds.

“Quarterly Filing Date” shall mean for the quarter ending: (i) March 31, due each May 1; (ii) June 30, due each August 1; (iii) September 30, due each November 1; and (iv) December 31, due each February 1 of the following year. The first Quarterly Filing Date shall be August 1, 2026, for the fiscal quarter ending June 30, 2026. If any Quarterly Filing Date falls on a date that is not a Business Day, then such Quarterly Filing Date shall be the next succeeding Business Day.

“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 Municipal Securities Rulemaking Board, which currently accepts continuing disclosure submissions through its Electronic Municipal Market Access (“EMMA”) web portal at “<http://emma.msrb.org>.”

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

“Series 2026 Assessments” shall mean the non-ad valorem special assessments pledged to the payment of the Series 2026 Bonds pursuant to the Indenture.

“State” shall mean the State of Florida.

3. Provision of Annual Reports.

(a) The Issuer shall, or shall cause the Dissemination Agent to, no later than April 1 following the end of the Issuer’s Fiscal Year, beginning with the fiscal year ending September 30, 2026 (the “Annual Filing Date”) with respect to the report for the 2026 Fiscal Year,

provide to any Repository in electronic format as prescribed by such Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Agreement; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report and later than the date required above, but in no event later than the date required to be filed with the State pursuant to applicable State law, for the filing of the Annual Report if they are not available by that date. If the Issuer's Fiscal Year changes, the Issuer shall give notice of such change in the same manner as for a Listed Event under Section 7(a). The Annual Report may be combined with the Developer Report so long as the combined report is filed with the Repository as required herein with respect to the Annual Report and is filed by the Annual Filing Date.

(b) If on the fifteenth (15th) day prior to each Annual Filing Date the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall contact the Issuer Disclosure Representative by telephone and in writing (which may be by e-mail) to remind the Issuer of its undertaking to provide the Annual Report pursuant to Section 3(a) above. Upon such reminder, the Issuer Disclosure Representative, shall either (i) provide the Dissemination Agent with an electronic copy of the Annual Report in accordance with Section 3(a) above, or (ii) instruct the Dissemination Agent in writing that the Issuer, will not be able to file the Annual Report within the time required under this Disclosure Agreement, state the date by which the Annual Report for such year will be provided and instruct the Dissemination Agent that a Listed Event as described in Section 7(a)(17) 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) within five (5) Business Days of filing the Annual Report, file a notice with the Issuer certifying that the Annual Report has been provided pursuant to this Disclosure Agreement, stating the date(s) it was provided and listing any Repository to which it was provided.

4. Content of Issuer's Annual Report.

(a) The Issuer's Annual Report shall contain or incorporate by reference the following, which includes an update of the financial and operating data of the Issuer to the extent presented in the Limited Offering Memorandum. All information in the Annual Report shall be presented for the immediately preceding Fiscal Year and, to the extent available, the current Fiscal Year:

(i) The amount of net Series 2026 Assessments levied (excluding any discounts and/or fees charged pursuant to the Uniform Method (as defined in the Limited Offering Memorandum) of collection with respect to Series 2026 Assessments collected in this manner.

(ii) The amount of Series 2026 Assessments received from property owners with respect to Series 2026 Assessments billed and collected directly by the Issuer and the amount of Series 2026 Assessments received from the County Tax Collector with respect to Series 2026 Assessments collected pursuant to the Uniform Method.

(iii) If available, the amount of delinquencies greater than 150 days, and, in the event that delinquencies amount to more than ten percent (10%) of the amounts of Series 2026 Assessments due in any year, a list of delinquent property owners with respect to Series 2026 Assessments billed and collected directly by the Issuer or, if received by the Issuer from the County Tax Collector, a list of delinquent property owners with respect to Series 2026 Assessments collected pursuant to the Uniform Method.

(iv) If received by the Issuer from the County Tax Collector, the amount of tax certificates sold, if any, and the balance, if any, remaining for sale.

(v) All fund balances in all Funds and Accounts for the Series 2026 Bonds.

(vi) The total amount of Series 2026 Bonds Outstanding.

(vii) The amount of principal and interest due on the Series 2026 Bonds.

(viii) The most recent audited financial statements of the Issuer which shall be prepared in accordance with governmental accounting standards promulgated by the Government Accounting Standards Board.

(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.

(c) The Issuer acknowledges that the information to be collected and disseminated by the Dissemination Agent will be provided by the Issuer 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 Issuer or others as thereafter disseminated by the Dissemination Agent.

The information provided under this Section 4 may be included by specific reference to documents, including official statements of debt issues of the Issuer or related public entities, which are available to the public on EMMA (or any successor Repository's website) or filed with the SEC. The Issuer shall clearly identify each such other document so incorporated by reference.

The Issuer reserves the right to modify from time to time the specific types of information provided in its Annual Report or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the Issuer; provided that the Issuer agrees that any such modification will be done in a manner consistent with the Rule.

5. Provision of Developer Report.

(a) The Developer shall provide a Developer Report which contains the information in Section 6(b) of this Disclosure Agreement to the Dissemination Agent no later than the Quarterly Filing Date for such Developer Report. Promptly upon receipt but in any event no later than the Quarterly Filing Date with respect to a Developer Report, the Dissemination Agent shall file the Developer Report provided to it by the Developer with each Repository. The Developer Report may be combined with the Annual Report so long as the combined report is filed with the Repository as required herein with respect to the Developer Report and is filed by the Quarterly Filing Date.

(b) If on the seventh (7th) day prior to each Quarterly Filing Date the Dissemination Agent has not received a copy of the Developer Report due on such Quarterly Filing Date, the Dissemination Agent shall contact the Developer by telephone and in writing (which may be by e-mail) to remind the Developer of its undertaking to provide the Developer Report pursuant to Section 5. Upon such reminder, the Developer shall either (i) provide the Dissemination Agent with an electronic copy of the Developer Report in accordance with Section 5(a) above, or (ii) instruct the Dissemination Agent in writing that the Developer will not be able to file the Developer Report within the time required under this Disclosure Agreement and state the date by which such Developer Report will be provided.

(d) If the Dissemination Agent has not received a Developer Report that contains the information in Section 6(b) of this Disclosure Agreement by 12:00 noon on the first Business Day following each Quarterly Filing Date, a Listed Event described in Section 7(a)(17) shall have occurred and the Issuer and the Developer hereby direct the Dissemination Agent to send a notice to each Repository in substantially the form attached as Exhibit A hereto, with a copy to the Issuer and the Developer. The Dissemination Agent shall file such notice no later than thirty (30) days following the applicable Quarterly Filing Date.

(e) The Dissemination Agent shall:

(i) determine prior to each Quarterly Filing Date the name and address of each Repository; and

(ii) promptly upon fulfilling its obligations under subsection (a) above, file a notice with the Developer and the Issuer stating that the Developer Report has been provided pursuant to this Disclosure Agreement and stating the date(s) it was provided.

6. Content of Developer Report.

(a) The Developer, so long as it is an Obligated Person for purposes of this Disclosure Agreement, shall prepare a Developer Report for submission to the Dissemination Agent as required by Section 5 above commencing with the calendar quarter ending June 30, 2026. At such time as the Developer is no longer an Obligated Person, the Developer will no longer be obligated to prepare any quarterly Developer Report pursuant to this Disclosure Agreement.

(b) The Developer Report shall contain the following information:

(i) An update of the number of units by product type in the table included in subsection "Land Use/Phasing Plan" under the caption "THE DEVELOPMENT" in the Limited Offering Memorandum;

(ii) An update of the table in the subsection "Product Offerings/Pricing" under the caption "THE DEVELOPMENT" in the Limited Offering Memorandum;

(iii) A description of the infrastructure improvements and recreational amenities needed for the Development that have been completed and that are currently under construction, including infrastructure financed by the Series 2026 Bonds;

(iv) The number of assessable units subject to the Series 2026 Assessments;

(v) The number of single-family homes in Assessment Area One closed with retail end users;

(vi) The number of single-family homes in Assessment Area One under contract with retail end users;

(vii) The number of single-family lots in Assessment Area One, if any, under contract with builders, together with the name of each builder;

(viii) The number of single-family lots in Assessment Area One, if any, closed with builders, together with the name of each builder;

(ix) The estimated date of complete build-out of residential units in Assessment Area One;

(x) Whether the Developer has made any bulk sale of the land subject to the Series 2026 Assessments other than as contemplated by the Limited Offering Memorandum;

(xi) The status of development approvals for the Development;

(xii) Materially adverse changes or determinations to permits/approvals for the Development which necessitate changes to the Developer's land-use or other plans for the Development;

(xiii) Updated plan of finance (i.e., status of any credit enhancement, issuance of additional bonds to complete project, draw on credit line of Developer, additional mortgage debt, etc.); and

(xiv) Any event that would have 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.

(c) Any of the items listed in subsection (b) above may be incorporated by reference from other documents which have been submitted to each of the Repository or the SEC. The Developer shall clearly identify each such other document so incorporated by reference.

(d) If the Developer sells, assigns or otherwise transfers ownership of real property in the Assessment Area One 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 comply with 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 Issuer and the Dissemination Agent in writing of the Transfer. For purposes of Sections 5 and 6 hereof, the term "Developer" shall be deemed to include the Developer and any third party that becomes an Obligated Person hereunder as a result of a Transfer. In the event that the Developer remains an Obligated Person hereunder following any Transfer, nothing herein shall be construed to relieve the Developer from its obligations hereunder pertaining to the Developer. The Issuer shall have no obligation to cause, or ascertain, compliance by the Developer with the foregoing provisions or of any other obligations of the Developer hereunder.

7. Reporting of Listed Events.

(a) Pursuant to the provisions of this Section 7, the Issuer shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Series 2026 Bonds and the Issuer (and shall have no obligation to provide any such notice with respect to the Developer) and the Developer shall give, or cause to be given, notice of the occurrence of numbers 12, 13, 15, 16 and 17 of the following events as they pertain to the Developer, 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 number 15 below, which notice shall be given in a timely manner:

1. principal and interest payment delinquencies;
2. non-payment related defaults, if material;
3. unscheduled draws on debt service reserves reflecting financial difficulties;
4. unscheduled draws on credit enhancements reflecting financial difficulties*;
5. substitution of credit or liquidity providers, or their failure to perform*;
6. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax status of the Series 2026 Bonds, or other material events affecting the tax status of the Series 2026 Bonds;
7. modifications to rights of the holders of the Series 2026 Bonds, if material;
8. bond calls, if material, and tender offers;
9. defeasances;
10. release, substitution, or sale of property securing repayment of the Series 2026 Bonds, if material;
11. ratings changes†;
12. an Event of Bankruptcy or similar event of an Obligated Person;
13. 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

* At the time of issuance of the Series 2026 Bonds, the Series 2026 Bonds are not credit enhanced and there are no credit or liquidity providers for the Series 2026 Bonds.

† At the time of issuance of the Series 2026 Bonds, the Series 2026 Bonds are not rated.

of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

14. appointment of a successor or additional trustee or the change of name of a trustee, if material;
15. incurrence of a Financial Obligation of the Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Obligated Person, any of which affect holders of the Series 2026 Bonds, if material;
16. default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Obligated Person, any of which reflect financial difficulties;
17. notice of any failure on the part of the Issuer to meet the requirements of Section 3 hereof or of the Developer to meet the requirements of Section 5 hereof; and
18. the termination of the Issuer's obligations under this Disclosure Agreement prior to the final maturity of the Series 2026 Bonds, pursuant to Section 9 hereof.

(b) The notice required to be given in paragraph 7(a) above shall be filed by the Dissemination Agent upon receipt by the Issuer or the Developer, as applicable, 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 shall 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 operation data;
- (c) the issues or specific securities to which such documents are related (including CUSIPs, 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 Issuer;
- (e) the name and date of the document being submitted; and
- (f) contact information for the submitter.

9. Termination of Disclosure Agreement. The Issuer's obligations under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Series 2026 Bonds, so long as there is no remaining liability of the Issuer, or if the Rule is repealed or no longer in effect. The Developer's obligations 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 Series 2026 Bonds, the Issuer 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 Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. If at any time there is not any other designated Dissemination Agent, the Issuer shall be the Dissemination Agent. The initial Dissemination Agent shall be Disclosure Services, LLC. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Issuer pursuant to this Disclosure Agreement.

11. Amendment. Notwithstanding any other provision of this Disclosure Agreement, the Issuer, the Developer and the Dissemination Agent (if the Dissemination Agent is not the Issuer) may amend this Disclosure Agreement, and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) The amendment may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the Issuer and/or the Developer, or the type of business conducted;

(b) The undertaking, as amended, would have complied with the requirements of the Rule at the time of the primary offering of the Series 2026 Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment does not materially impair the interests of the holders, as determined either (i) by parties unaffiliated with the Issuer (such as the trustee or Bond Counsel), or (ii) by the approving vote of bondholders pursuant to the terms of the Indenture at the time of the amendment.

Notwithstanding the foregoing, the Issuer, 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.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Issuer and the Developer shall describe such amendment in its next Annual Report (or in the financial statements included in such Annual 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 of accounting principles, on the presentation) of financial

information or operating data being presented by the Issuer or the Developer, as applicable. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements of the Issuer, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 7(b), and (ii) the financial statements included in the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Notwithstanding anything to the contrary herein requiring consent of the Developer, the Issuer may amend this Disclosure Agreement without the consent of the Developer with respect to any provision hereof that does not affect the Developer.

12. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer 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 or notice of occurrence of Listed Event, in addition to that which is required by this Disclosure Agreement. If the Issuer or the Developer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the Issuer or the Developer shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

13. Default. In the event of a failure of the Issuer, the Developer, the Issuer Disclosure Representative or a Dissemination Agent to comply with any provision of this Disclosure Agreement, the Trustee may (and, at the request of any Participating Underwriter or the Owners of more than 50% aggregate principal amount of outstanding Series 2026 Bonds and receipt of indemnity satisfactory to the Trustee, shall), or any Beneficial Owner of a Series 2026 Bond may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer, the Developer, the Issuer Disclosure Representative or a 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 Issuer, the Developer, the Issuer Disclosure Representative or a 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.

15. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Developer, the Dissemination Agent, the Trustee, the Participating Underwriter and Beneficial Owners of the Series 2026 Bonds, 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 Issuer represents that the Dissemination Agent is a bona fide agent of the Issuer and directs the Trustee to deliver to the Dissemination Agent at the expense of the Issuer, any information or reports it requests that the Issuer 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.

[End of document – signatures to follow]

IN WITNESS WHEREOF, the undersigned has executed this Disclosure Agreement as of the date and year set forth above.

**ESPLANADE AT WELLEN PARK
COMMUNITY DEVELOPMENT DISTRICT,**
as Issuer

John Wollard, Chairperson,
Board of Supervisors

CONSENTED TO AND AGREED TO BY:

JPWARD AND ASSOCIATES, LLC, and its
Successors and assigns, as Issuer Disclosure
Representative

James P. Ward, Chief Operating Officer

**JOINED BY U.S. BANK TRUST COMPANY,
NATIONAL ASSOCIATION**, as Trustee, for
purposes of sections 13, 15 and 18 only

Robert Hedgecock, Vice President

TAYLOR MORRISON OF FLORIDA, INC.,
a Florida corporation, as Developer

Eric Van Schaik, Vice President

[Signature page to Continuing Disclosure Agreement]

DISCLOSURE SERVICES, LLC,
as Dissemination Agent

Tara Carter, Vice President

[Signature page to Continuing Disclosure Agreement]

EXHIBIT A

**NOTICE TO REPOSITORIES
OF FAILURE TO FILE [ANNUAL] [DEVELOPER] REPORT**

Name of Issuer: Esplanade at Wellen Park Community Development District
Name of Bond Issue: \$_____ Capital Improvement Revenue Bonds, Series 2026
Date of Issuance: _____, 2026
Obligated Person: Esplanade at Wellen Park Community Development District
Taylor Morrison of Florida, Inc.
CUSIPS: [To come]

NOTICE IS HEREBY GIVEN that the [Issuer] [Developer] has not provided an [Annual] [Developer] Report with respect to the above-named Bonds as required by [Section 3] [Section 5] of the Continuing Disclosure Agreement dated _____, 2026, among the Issuer, the Developer and the Dissemination Agent named therein. The [Issuer] [Developer] has advised the undersigned that it anticipates that the [Annual] [Developer] Report will be filed by [-----], 20[-----].

Dated: [-----] [-----], Dissemination Agent

cc: [Issuer] [Developer]

RESOLUTION 2026-3

A RESOLUTION OF ESPLANADE AT WELLEN PARK COMMUNITY DEVELOPMENT DISTRICT APPROVING THE DISTRICT'S POST-ISSUANCE COMPLIANCE GUIDE FOR TAX-EXEMPT BONDS; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, Esplanade at Wellen Park Community Development District (the "District") expects to issue its tax-exempt bonds in one or more series for the principal purpose of financing and/or refinancing public capital projects (collectively, the "Bonds"); and

WHEREAS, the District desires to formally memorialize, in a single document, its policies and procedures relating to compliance with certain applicable requirements of the Internal Revenue Code of 1986, as amended, and certain of its covenants and undertakings in connection with its Bonds.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF ESPLANADE AT WELLEN PARK COMMUNITY DEVELOPMENT DISTRICT AS FOLLOWS:

SECTION 1. The Post-Issuance Compliance Guide for Tax-Exempt Bonds (the "Guide") in the form attached hereto as Exhibit A is hereby adopted and approved. The person then serving as District Manager of the District or a representative or representatives of the entity then serving as District Manager of the District designated by such entity shall act as the Tax Compliance Officer for purposes of the Guide. The Guide shall supersede any similar policies and procedures previously adopted by the District.

SECTION 2. This resolution shall be effective immediately upon adoption.

PASSED AND ADOPTED at a meeting of the Board of Supervisors of Esplanade at Wellen Park Community Development District this 12th day of February 2026.

ESPLANADE AT WELLEN PARK COMMUNITY DEVELOPMENT DISTRICT

[SEAL]

John Wollard, Chairperson

ATTEST:

James P. Ward, District Secretary

EXHIBIT A

POST-ISSUANCE COMPLIANCE GUIDE FOR TAX-EXEMPT BONDS

**ESPLANADE AT WELLEN PARK COMMUNITY DEVELOPMENT
DISTRICT**

POST-ISSUANCE COMPLIANCE GUIDE

FOR

TAX EXEMPT BONDS

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PURPOSE

Section 141 of the Internal Revenue Code of 1986, as amended (the “Code”) contains limitations on the extent to which proceeds of tax-exempt bonds can benefit persons other than a state or local governmental unit. In addition, Section 148 of the Code imposes limitations on the investment of proceeds of tax-exempt bonds and required rebate of excess earnings to the federal government. The procedures set forth herein are intended to maintain the tax-exempt status of the outstanding tax-exempt bonds of the Esplanade at Wellen Park Community Development District (the “District”) by establishing procedures for: (1) identifying uses that may constitute private use, (2) managing and tracking changes in use, (3) accomplishing remedial action when necessary, and (4) assuring compliance with the arbitrage requirements of the Code. The procedures set forth herein also address matters relating to the District’s compliance with bond covenants.

RESPONSIBILITY

In order to facilitate continuing compliance with the federal income tax requirements relating to the tax-exempt status of its outstanding tax-exempt bond issues, the person then serving as District Manager of the District, or a representative or representatives of the entity then serving as District Manager of the District, shall act as the Tax Compliance Officer who will have the primary responsibility to monitor the District’s compliance with federal tax requirements for the District’s Bonds. The Tax Compliance Officer may engage third parties to assist in accomplishing the duties of the Tax Compliance Officer hereunder. The tax requirements include both limitations on the private use of facilities financed by Bonds and arbitrage limitations on the investment of proceeds of Bonds under the Code. The general responsibilities of the Tax Compliance Officer with respect to bond compliance shall include, but not be limited to, communication of monitoring procedures for Bonds (as outlined herein) to applicable department heads of the District, if any, or other parties responsible for construction and/or operation of Bond-Financed Property if other than the District Manager (the “District Representatives”) confirming consistent application of these procedures, monitoring the completeness of documentation required by these procedures, and conferring with Bond Counsel as necessary. The Tax Compliance Officer will also monitor the District’s compliance with other covenants in its bond documents. Set forth below are the procedures that will be undertaken. The District will supplement and update these procedures as appropriate to provide a continuing source of guidance on these requirements.

PRIVATE ACTIVITY LIMITATIONS

Definitions

- 1. Bonds** – The term Bonds includes bonds, notes, and installment sale or financing lease arrangements issued on a tax-exempt basis.
- 2. Eligible Mixed-Use Project** -- An eligible mixed-use project is a project wholly owned by one or more governmental persons (or 501(c)(3) organizations) or by a partnership with at least one governmental partner that is financed with governmental bonds (or qualified 501(c)(3) bonds) and with qualified equity pursuant to the same plan of financing.
- 3. Governmental Bonds.** – Governmental Bonds are Bonds that are not Private Activity Bonds.

4. **Management Contract** – A Management Contract is a management, service or incentive payment contract between a governmental unit and a non-governmental service provider under which the service provider provides services involving all, a portion of, or any function of a facility. A management contract with respect to financed property generally results in a private business use if the contract provides for compensation of services rendered with compensation based, in whole or in part, on a share of net profits from the operation of the facility. Revenue Procedure 97-13, as amended, provides safe harbors pursuant to which qualifying management contracts would not be treated as constituting private use of a financed facility.
5. **Private Activity Bonds.** - A Bond is a private activity bond if the bond issue meets: (i) **both** the private business use test **and** the private payment or security test; **or** (ii) the private loan financing test. The tests are applied on a basis of reasonable expectations of the District on the date of each issue of Bonds and by taking into account deliberate actions of the District while such Bonds are outstanding. In many cases a deliberate action that causes Bonds to become private activity bonds can be cured by taking remedial actions.
6. **Private Business Use Test.** The private business use test is met if the amount of proceeds of Bonds that are used in a private business use is more than ten percent of total proceeds. A five percent limit is used in lieu of a ten percent limit if the private use is unrelated to a governmental use or related but disproportionate to a governmental use. Private Business Use means use, directly or indirectly, in a trade or business carried on by any person other than the District or another state or local governmental unit, including a use by a 501(c)(3) organization or the federal government. All private business uses over the life of the Bonds are aggregated in determining whether the limitations are met.
7. **Private Payment or Security Test-** The private security or payment test is met if the payment of debt service on more than ten percent of the issue of Bonds is directly or indirectly (i) secured by any interest in property used for a private business use or payments in respect of such property or (ii) derived from payments in respect of property or borrowed money used for a private business use. A five percent limit is used in lieu of a ten percent limit if the private use is unrelated to a governmental use or related but disproportionate to a governmental use. Private payments are not taken into account to the extent properly allocated to ordinary and necessary expenses directly attributable to the operation and maintenance of the Bond-Financed Property (hereinafter defined) used by the private user.
8. **Private Loan Financing Test.** The Private Loan Financing Test is met if the District uses proceeds of Bonds to make loans to private persons exceeding the lesser of 5% of the proceeds or \$5 million.
9. **Qualified Equity** -- Qualified equity includes proceeds of taxable bonds other than tax-credit bonds, and funds not derived from a borrowing. The qualified equity is treated as financing the project under the same plan of financing if it pays for capital expenditures of the project on a date no earlier than the date on which such expenditures would be eligible for reimbursement under the reimbursement regulations and no later than the date the measurement period begins, generally the placed-in-service date.

Bond-Financed Property

The first step in undertaking a review of private use limitations is to identify all of the property that was financed by a particular issue of Bonds. In many cases a particular property or project may have been partially financed or refinanced with multiple issues and a change in the use of that property or project could affect all those issues. The Tax Compliance Officer will identify all outstanding Bonds of the District by reference to the applicable audited financial statements for each fiscal year and any interim unaudited financial statements. The Tax Compliance Officer will establish and maintain books and records that reflect the actual expenditure of proceeds of particular Bonds on specific projects comprising Bond-Financed Property.

Private Activity Review

Reference should be made to the Private Activity Restrictions on Private Business Use and accompanying attachments, attached as Tab I, for further guidance on the Private Activity Limitations of Section 141 of the Code.

In order to demonstrate compliance with the Private Activity Limitations of the Code, the Tax Compliance Officer will make inquiry, including of each District Representative, on a periodic basis as to the ownership and use of such Bond-Financed Property. A form of Private Business Use Questionnaire that can be utilized for this inquiry is attached as Tab II. The Tax Compliance Officer will identify the potential occurrence of any of the events set forth below (a "Tax Event") with respect to any Bond-Financed Property:

Change of ownership or use of the Bond-Financed Property -- the ownership of any portion of the Bond-Financed Property is transferred to anyone, prior to the earlier of the end of the expected economic life of the property, or the latest maturity date of any of the Bonds financing (or refinancing) the Bond-Financed Property or any restriction on the ability of the general public to access the Bond-Financed Property occurs.

Private business use of the Bond-Financed Property -- any portion of the Bond-Financed Property will be used by anyone other than a State or local governmental unit, such as the District, or members of the general public who are not using the property in the conduct of a trade or business. Examples of uses that can give rise to private business use include use by a person as an owner, lessee, purchaser of the output of facilities under a "take" or "take or pay" contract, purchaser or licensee of research, a manager or independent contractor under certain management or professional service contracts or any other arrangement that conveys special legal entitlements (*e.g.*, arrangement that conveys priority rights to the use or capacity of the Bond-Financed Property) for beneficial use of the Bond-Financed Property.

Leases of the Bond Financed Property -- any portion of the Bond-Financed Property is to be leased, or otherwise subject to an agreement which gives possession of any portion of the Bond-Financed Property to anyone, other than a state or local governmental unit.

Management agreement or service agreement -- any portion of the Bond-Financed Property is to be used under a management contract or professional service

contract, other than a contract for services that are solely incidental to the primary function of Bond-Financed Property, such as janitorial services or office equipment repair.

Sale of Output from Bond-Financed Facility – any output of the Bond-Financed Property is to be sold to or otherwise used by any person other than a state or local governmental unit or a member of the general public.

Naming rights agreements for the Bond-Financed Property -- any portion of the Bond-Financed Property will become subject to a naming rights or sponsorship agreement, other than a “brass plaque” dedication.

Research using the Bond-Financed Property -- any portion of the Bond-Financed Property will be used for the conduct of research under the sponsorship, or for the benefit of, any organization other than a state or local governmental unit.

Private Loan of Bond Proceeds -- any portion of the proceeds of any issue of Bonds (including any investment earnings thereon) is to be loaned by the District.

The existence of private uses may trigger a need to review whether there have also been payments received by an District either from a non-governmental party, such as lease payments, or payments with respect to Bond-Financed Property. It at any time there is a question or potential problem that arise with respect to private payments, it should be brought to the attention of the Tax Compliance Officer as soon as possible and Bond Counsel to the District should be consulted on the application of the private payment test. For purposes hereof, the term “Bond Counsel” shall be deemed to refer to the law firm then serving as Bond Counsel to an District.

Responsible Persons

The Tax Compliance Officer is responsible for monitoring and enforcing compliance with policies and procedures relating to private use of Bond-Financed Property. It is the responsibility of the Tax Compliance Officer to track the planned and actual use thereof while the related issue of Bonds is outstanding. The Tax Compliance Officer shall review all private uses and work with any applicable District Representatives and Bond Counsel to make certain that no private use is undertaken which might adversely affect the tax-exempt status of any Bonds. A further breakdown of the procedures to carry out these responsibilities is detailed below.

Expected Use of Proceeds

At the time of issuance of each issue of Bonds, the Tax Compliance Officer will work with any District Representatives to determine and document planned uses of Bond-Financed Property relating to the applicable issue of Bonds. On completion of the projects included in Bond-Financed Property and final expenditure of proceeds of the related issue of Bonds, the applicable District Representative, if any, and Tax Compliance Officer will review and document sources of funding, including Qualified Equity, and any special, the allocation of proceeds of such Bonds to particular costs and note the existence and amount of any private use on a schedule of private use.

A final allocation of proceeds of each issue of Bonds to expenditures will be made and retained with the records of the issue of Bonds not later than 18-months after the later of the expenditure

of the proceeds of such Bonds or the placed in service date for the related Bond-Financed Property. In the case of a qualified mixed-use project, qualified equity is allocated first to private business use of the eligible mixed-use project and then to governmental use, and tax-exempt bond proceeds are allocated first to governmental use and then to private business use.

Ongoing Review

The Tax Compliance Officer will disseminate to, and discuss the list of Tax Events with any applicable District Representatives and will attempt to identify a potential Tax Event before it occurs. The Tax Compliance Officer should work closely on a regular basis with any applicable District Representatives involved with the operations involving Bond-Financed Property to learn about potential and actual changes as they are contemplated. By understanding potential changes in use that may affect private use of Bond-Financed Property, the Tax Compliance Officer and District Representatives can evaluate, on an ongoing basis, whether such changes could affect the tax-exempt status of any issue of Bonds before the change occurs.

Once a potential Tax Event has been identified, the Tax Compliance Officer shall work with any applicable District Representatives and potential private user, if applicable, to determine the parameters for the new use. Some of the parameters to consider include whether the use will be available to other organizations or the public, rents or compensation for use, costs of use to the District and square footage to be used, management contracts, leases, service, etc. These use parameters will determine if the use constitutes a non-qualified use and/or new private use of the facilities. The Tax Compliance Officer or applicable District Representative shall update the schedule summarizing private use.

In the case of a management or service contract, the Tax Compliance Officer will direct Bond Counsel to review the contract to determine if a safe harbor applies that would avoid private use from occurring. These types of agreements should be submitted to the Tax Compliance Officer in the early stages of discussions prior to going to the District for approval. Early Bond Counsel review of the contracts may help avoid private use problems.

On or prior to the occurrence of any Tax Event, including, without limitation, the proposed sale of any Bond-Financed Property, the Tax Compliance Officer will consult with Bond Counsel to the District to ascertain what effect, if any, a contemplated Tax Event may have on the tax-exemption of interest on the related Bonds. Bond Counsel also should be consulted regarding questions of measurement of private use and available safe harbors for management or service contracts. In certain circumstances, if the private use would cause a limitation on the overall issue to be exceeded, it may be necessary for the District to take a remedial action under Treasury Regulation Section 1.141-12, including an anticipatory remedial action, to preserve the tax-exempt status of interest on the related issue of Bonds. See Tab III regarding available remedial actions. Timely identification of a Tax Event is necessary to take a remedial action. In certain cases, remedial action may not be available and the District may need to consider a voluntary closing agreement with the IRS.

Annual Review

The Tax Compliance Officer shall be responsible for reviewing the outstanding Bonds on a yearly basis. This review will involve analyzing the planned uses for the Bond-Financed Property, as documented on the summaries and schedules indicated above, and determining whether any changes in use are contemplated and or have occurred and whether any sales or transfers of Bond-Financed Property are contemplated. This review shall include information and/or documentation concerning users of the Bond-Financed Property for any proposed or actual changes identified within the past year (e.g. changes in square footage, increased public or private uses, changes in activities including additions/deletions of specific activities). Such information and/or documentation may include, but is not limited to, the factual details of the proposed or actual change in use, policies and procedures related to use, expenses related to use, improvements made, etc.

On an annual basis, the Tax Compliance Officer and any applicable District Representatives will review the actual use of each issue of Bonds to determine whether the actual use has changed from the plan and any applicable District Representatives will file an annual report to the Tax Compliance Officer. Where the actual use is different, the Tax Compliance Officer will document how it is different and the effects of the differences on the private use calculations. The Tax Compliance Officer shall review all new private uses and work with any applicable District Representatives and Bond Counsel to make certain that no private use has been undertaken that might affect the qualified status of each issue of Bonds.

The Tax Compliance Officer will prepare an annual report summarizing current Bonds outstanding and the status of each based on the data collected and/or provided in the annual update reports. The Tax Compliance Officer will report to the Board of Supervisors of each District any potential problems that may arise that could threaten the tax-exempt status of Bonds issued by it and the steps being taken to resolve the potential problem. Discussions will be held with Bond Counsel to the District as to the steps required to be taken.

Recordkeeping

The Internal Revenue Service has advised issuers of tax-exempt bonds that they have post-issuance recordkeeping responsibilities that are necessary to satisfy the Internal Revenue Service in the event of any future audit of the bonds. See IRS FAQs on Record Retention, attached as Tab IV. The Tax Compliance Officer shall maintain a file for each issue of Bonds. The file shall include a copy of the bond documents, detailed project schedule, cost schedule, amount of private use by project, and economic life of the project. The file shall contain a copy of all management or service contracts, leases, or agreements and documentation that any private use does not exceed permissible limits. The file shall contain annual reports from the Tax Compliance Officer or other applicable District Representative managing Bond-Financed Property summarizing all recalculations of private use percentage and private payment summaries. This file must be maintained for each issue of Bonds for the life of the issue plus three years.

ARBITRAGE COMPLIANCE

The arbitrage restrictions imposed under the Code include restrictions on the investment of proceeds of Bonds at an unrestricted yield and the rebate of excess investment earnings to the federal government, as more fully described in the Tax Certificates for each of issue of Bonds and the Arbitrage Letter of Instructions, attached as Tab V.

Arbitrage Review

For each issue of Bonds, the Tax Compliance Officer will maintain the records and documents described below under “Recordkeeping.” For each issue of Bonds, the Tax Compliance Officer will establish a timeline for review of arbitrage-related issues as more fully described below.

Temporary Period

For all issues of Bonds, the Tax Compliance Officer will note the date of expiration of the three year temporary period for unrestricted investment of the proceeds of such Bonds. The three year temporary period runs from the date of issue of the original new money issue and is unaffected by note rollovers. Note, however, that the issuance of advance refunding bonds will terminate the three year temporary period of any issue that is advance refunded. For all Bonds which have unexpended proceeds held beyond the temporary period, the Tax Compliance Officer will assure that the proceeds are yield restricted. The relevant yield will be the yield on the original Bonds until those obligations are paid with the proceeds of another issue of Bonds (a “Refunding Issue”), at which time the relevant yield will be the yield on the Refunding Issue. Yield restriction will be accomplished through either an actual investment below the relevant yield or the making of yield reduction payments, as described in Section 3(b) of the Arbitrage Letter of Instructions found in Tab V. The Tax Compliance Officer will work with its auditor or other arbitrage consultant to make timely yield reduction payments.

Rebate

For each issue of Bonds the Tax Compliance Officer will note from the Tax Certificate delivered by the District in connection with the issuance of the related Bonds whether a rebate exception is available for the issue. The rebate exceptions include the bona fide debt service fund exception and the spending exceptions described in Section 4(a)(ii) of the Arbitrage Letter of Instructions found in Tab V. If the issue of Bonds is expected to meet one of the three spending exceptions to rebate, the six-month exception, the 18-month exception or the 2-year construction exception, the Tax Compliance Officer will establish a timeline of six month intervals following the date of issue of the Bonds and note whether the spending requirements related to that exception are met at the end of each period.

If no rebate exception is expected to apply or if a spending requirement is not met, the Tax Compliance Officer will establish a timeline for rebate analysis for each issue of Bonds. For bond issues, the timeline will provide for a rebate analysis to be conducted every five years and when the bonds are discharged, as more fully described in Section 4 of the Arbitrage Letter of Instructions. For note issues the timeline will provide for a rebate analysis to be undertaken at the time of the retirement of the note issue. The Tax Compliance Officer will consult with its auditor

or other arbitrage consultant and make timely filing of any rebate amount with the Internal Revenue Service, as more fully described in Section 4 of the Arbitrage Letter of Instructions.

Arbitrage Consultant

The Tax Compliance Officer will maintain a contract with a third party arbitrage consultant for the purpose of providing arbitrage consulting services including but not limited to:

1. annual analysis of all Bonds.
2. arbitrage rebate calculations
3. yield restriction calculations.
4. technical support on an ad-hoc basis.

The arbitrage consultant will provide on an annual basis, an analysis of all Bonds for potential liability, rebate, yield restriction or other arbitrage related issues. The Tax Compliance Officer will review the arbitrage analysis and coordinate with the consultant to prepare the necessary filings and payments. The Tax Compliance Officer will timely file or cause to be filed with the Internal Revenue Service the appropriate IRS arbitrage rebate and yield restriction reports, Form 8038-T, along with any payments due for any Bonds.

Recordkeeping

In order to satisfy the arbitrage recordkeeping requirements, the Tax Compliance Officer shall create and maintain, or cause to be created and maintained, records of:

1. Purchases or sales of investments made with proceeds of Bonds (including amounts treated as “gross proceeds” as a result being part of a sinking fund or pledge fund) and receipts of earnings on those investments;
2. The final allocation of the proceeds of each issue of Bonds to expenditures, together with purchase contracts, construction contracts, invoices, and cancelled checks;
3. Information and records showing that investments made with unspent proceeds of each issue of Bonds after the expiration of the applicable temporary period were not invested in higher-yielding investments;
4. Information, if applicable, that will be sufficient to demonstrate to the Internal Revenue Service upon an audit of any issue of Bonds that such Bonds have complied with one or more available spending exceptions to the arbitrage rebate requirement with respect of such Bonds;
5. Information and calculations, when applicable, that will be sufficient to demonstrate to the Internal Revenue Service, upon an audit of any issue of Bonds, for which an exception to the arbitrage rebate requirement was not applicable, that the rebate amount, if any, that was payable to the United States of America with

respect to investments made with gross proceeds of such Bonds was calculated and timely paid with Form 8038-T timely filed with the Internal Revenue Service;

6. Information and records showing that investments held in yield-restricted advance refunding or defeasance escrows for Bonds were not invested in higher-yielding investments; and
7. The Tax Certificate delivered by the District as part of the record of proceedings for each issue of Bonds.

BOND COVENANT COMPLIANCE

The Tax Compliance Officer will become familiar with the various covenants in the applicable financing documents relating to each issue of Bonds and other obligations issued by the District, including the applicable bond resolution, trust indenture, loan agreement and/or agreement with credit enhancers. The Tax Compliance Officer will prepare and regularly update a written summary of the bond covenants and review on an annual basis the status of the District's compliance with such covenants. These covenants typically include matters such as the requirement to provide audited financial statements and/or annual budgets to bond trustees on an annual basis, the requirement to maintain specified insurance coverage, and monitoring compliance with rate covenants. The Tax Compliance Officer will consult with any applicable District Representatives to the extent necessary to obtain information to permit the District to comply with such covenants.

Attachments

Tab I	Private Activity Restrictions on Private Business Use
Tab II	Private Business Use Questionnaire
Tab III	Remedial Actions
Tab IV	IRS FAQs on Record Retention
Tab V	Arbitrage Letter of Instructions

TAB I

TAB I

PRIVATE ACTIVITY RESTRICTIONS ON PRIVATE BUSINESS USE GOVERNMENTAL BONDS

Introduction

The Internal Revenue Code of 1986, as amended (the “Code”) limits the amount of proceeds of tax-exempt governmental bonds (including short term obligations such as notes) that can be used for the benefit of private businesses. Section 141 of the Code treats as a taxable private activity bond a bond issued as part of an issue that meets the private business use test and the private security or payment test, or the private loan test. The private business use test is met if the amount of proceeds of bonds that are used in a private business use is more than ten percent of total proceeds. The private security or payment test is met if the payment of debt service on more than 10 percent of the issue is directly or indirectly (i) secured by any interest in property used for a private business use or payments in respect of such property or (ii) derived from payments in respect of property or borrowed money used for a private business use. A five percent limit is used in lieu of a ten percent limit if the private use is unrelated to a governmental use or related but disproportionate to a governmental use. For purposes of Section 141, the term private business includes nonprofit, 501(c)(3) organizations as well as the federal government.

Private business use generally

Private business use can arise from almost any use of tax-exempt bond-financed property by anyone other than a state or local governmental unit (“Governmental Unit”) or members of the general public who are not using the property in the conduct of a trade or business. Examples of uses which can give rise to private business use include use (a) by a person as (i) an owner, (ii) a lessee, (iii) a purchaser of the output of facilities under a “take and pay” or “take or pay” contract, (iv) a purchaser, sponsor or licensee of research and (v) a manager or independent contractor under certain management or professional service contracts, (b) pursuant to an arrangement that conveys (i) special legal entitlements (e.g., an arrangement that conveys priority rights to the use or capacity of the financed property) for beneficial use of the property financed with proceeds of tax exempt debt or (ii) other special economic benefits, (c) use by the United States government and its agencies and instrumentalities and (d) use by nonprofit corporations.

The purpose of this Summary is to assist employees of a Governmental Unit in recognizing uses, actions or other arrangements with respect to tax-exempt bond-financed property which may not comply with the requirements of the Internal Revenue Code of 1986, as amended, and which could jeopardize the tax exempt status of bonds issued to finance such property. It is not exhaustive and may not be relied upon as legal advice. Before any use, action or other arrangement described herein is commenced, such use, action or other arrangement should be reviewed by bond counsel to the Governmental Unit.

Leases of the Financed Property. Leases and certain other agreements which transfer possession of tax exempt financed property will result in a private business use if the party to whom the property is leased is not an Governmental Unit. Examples include leases of space for book stores and cafeterias.

Priority Rights. Arrangements that convey special legal entitlements (e.g., arrangements that convey priority rights to the use or capacity of the financed property) for control or beneficial use of property financed with proceeds of tax exempt debt are treated as private business uses. Examples of such arrangements are contracts with research companies to set aside space for the testing of new products or arrangements pursuant to which a person which is not an Governmental Unit is entitled to limit, or control charges for, access to all or a portion of tax-exempt bond financed property.

Naming Rights and Sponsorship Payments. Agreements which permit a private company or organization to make payments for the right to have its name or logo used in connection with property financed with tax exempt debt may result in private business use. The rules in this area continue to evolve but “qualified sponsorship payments” should not give rise to a private business use. A qualified sponsorship payment means any payment made by any person engaged in a trade or business with respect to which there is no arrangement or expectation that such person will receive any substantial return benefit other than the use or acknowledgement of the sponsor’s name or logo in connection with the activities of the Governmental Unit. Such use or acknowledgement may not include advertising such person’s products or services. The qualified sponsorship payment would not include (a) any payment that is contingent upon attendance at events or (b) any payment that entitles the payor to the use or acknowledgement of the payor’s name or logo in regularly scheduled and printed material published by or on behalf of the Governmental Unit. This would allow donations in exchange for the usual “brass plaque” but call into question arrangements such as the right to name a facility of the Governmental Unit and control how that facility is referred to in publications and press releases.

Research Arrangements. Research conducted under the sponsorship or for the benefit of organizations other than Governmental Units, including research sponsored by any branch of the Federal government, can result in the private business use of any property financed with tax exempt debt which is used in the conduct of the research. The Internal Revenue Service has published guidance on the circumstances under which a research agreement does not result in private business use. The guidance for safe harbor research arrangements is set forth in Rev. Proc. 2007-47 (2007 IRB LEXIS 570; 2007-29 I.R.B. 108) attached hereto as Exhibit 1.

Management and Service Contracts. Both contracts for the management of property financed with tax exempt debt and certain contracts for the provision of services in connection with property financed with tax exempt debt can result in private business use. Contracts which may result in a private business use include management, service, or incentive payment contracts between the Governmental Unit and a service provider under which the service provider provides services involving all, a portion of, or any function of, a facility financed with tax exempt debt. For example, a contract for the provision of management services for an entire facility, and a contract for management services for a specific portion of a facility, such as a cafeteria are each treated as a management contract. However, contracts for services that are solely incidental to the primary function of the property financed with tax exempt debt, such as janitorial services or office equipment repair, are not regarded as management or service contracts for this purpose. The Internal Revenue Service has published safe harbor guidance on the circumstances under which a management or service agreement does not result in private business use. For contracts entered into before August 18, 2017, the guidance is set forth in Rev. Proc. 97-13 (1997-1 C.B. 632; 1997 IRB LEXIS 14; 1997-5 I.R.B. 18, as modified by Rev. Proc. 2001-39, 2001 IRB LEXIS 229; 2001-

28 I.R.B. 38), and IRS Notice 2014-67 attached hereto as Exhibit 2. For contracts entered into on or after January 17, 2017, or at the election of the District, at any time, the guidance is set forth in Rev. Proc. 2017-13, attached hereto as Exhibit 3.

Output Facilities. Occasionally a Governmental Unit will acquire facilities such as co-generation facilities. The sale of output (as distinguished from consumption of the output by the Governmental Unit) from an output type facility can result in a private business use.

Joint Ventures and Partnerships. Joint venture arrangements between a Governmental Unit and persons other than a Governmental Unit may result in private business use. These arrangements need to be examined to see if they are viewed as partnerships for federal tax purposes. The Regulations permit the governmental share of a project used in joint ventures to be financed with governmental bonds by treating the partnership of governmental entities and private entities as an aggregate of the partners rather than as a separate taxable entity. The private business use by a private entity partner will be determined based on that partner's greatest percentage share of any of the specified partnership items, income, gain, loss, deduction or credit attributable to the partnership during the measurement period.

Exclusions from Private Business Use

Incidental Uses. A very limited spectrum of incidental uses are not treated as private business uses if certain conditions are met. Those conditions are: (a) except for vending machines, pay telephones, kiosks and similar uses, the use must not involve the transfer to the private user of possession and control of space that is separated from the other areas of the facility by a physical barrier; (b) the use must not be functionally related to another use of the facility by the same private user; and (c) such incidental uses may not, in the aggregate involve more than 2.5 percent of the facility. Examples of incidental uses include pay telephones, vending machines and advertising displays.

General Public Use. Use of facilities intended for general public use is not considered "use" by nongovernmental persons in a trade or business if such persons use the facilities in their trade or business on the same basis as other members of the public. Use of the financed facilities by organizations such as school groups, church groups, and fraternal organizations and numerous commercial organizations for a short period of time on a rate scale basis will not be considered use by nongovernmental persons in a trade or business if the rights of such a user are only those of a transient occupant rather than the full legal possessory interests of a lessee. Any arrangement that conveys priority rights to the use or capacity of the financed property will be treated as a private business use.

Short Term Uses. Certain short term uses will not be treated as private use. Use by a nongovernmental person is not private use if either:

- (i) (A) the term of the use under the arrangement, including all renewal options is not longer than 200 days, and (B) the use of the financed property under the same or similar arrangements is predominantly by natural persons who are not engaged in a trade or business; or

- (ii) (A) the term of the use under the arrangement, including all renewal options, is not longer than 100 days, and (B) the arrangement would be treated as general public use, except that it is not available for use on the same basis by natural persons not engaged in a trade or business because generally applicable and uniformly applied rates are not reasonably available to natural persons not engaged in a trade or business; or
- (iii) (A) the term of the use under the arrangement, including all renewal options, is not longer than 50 days; and (B) the arrangement is a negotiated arm's-length arrangement, and compensation under the arrangement is at fair market value.

In addition, in each case the property must not be financed for the principal purpose of providing that property for use by that non-Governmental Unit.

Qualified improvements. Proceeds of tax exempt bonds that provide a governmentally owned improvement to a governmentally owned building (including its structural components and land functionally related and subordinate to the building) are not used for a private business use if:

- (i) (i) The building was placed in service more than 1 year before the construction or acquisition of the improvement is begun;
- (ii) The improvement is not an enlargement of the building or an improvement of interior space occupied exclusively for any private business use;
- (iii) (iii) No portion of the improved building or any payments in respect of the improved building secures payment of the tax exempt bonds; and
- (iv) (iv) No more than 15 percent of the improved building is used for a private business use.

Allocation of Proceeds and Equity to Expenditures and Private Uses

Identification of Bond-Financed Project

The first step in a private business use analysis is to identify the project that is financed with the proceeds of the bonds. Generally the Regulations define a project as the facilities financed in whole or in part with the proceeds of a single bond issue. The scope of the project can be described in and limited by the financing documents.

Allocation of Sources of Funds to Expenditures and Uses Subject to the exception described below, multiple sources of funds for the same project are allocated on a proportionate basis to all the expenditures for the project and all the uses of the project. This includes multiple issues of tax-exempt bonds that finance the same project at the same time. Later improvements made to a project that are financed with a separate later issue are treated as a separate project.

Eligible Mixed Use Projects Exception

In lieu of the proportionate or pro rata allocation method described above, a special allocation rule, the undivided portion allocation method, applies to “eligible mixed use projects”. An eligible mixed use project is a project that is financed with proceeds of governmental bond and qualified equity pursuant to the same plan of financing. Qualified equity includes proceeds of taxable bonds and other funds not derived from a borrowing, but not the proceeds of taxable tax credit bonds. The plan of financing is defined by reference to the timing of the expenditure of the qualified equity. It includes as qualified equity funds spent no earlier than the earliest date funds would be eligible for reimbursement and no later than the beginning of the measurement period, generally the project’s placed in service date. Thus as of the placed in service date, the District can determine the extent to which qualified equity was used to finance the project.

Under this special allocation rule private business use is first allocated to qualified equity up to the percentage of qualified equity in the overall plan of financing, with governmental use allocated to the tax-exempt bond proceeds. Only if the percentage of private business use exceeds the percentage of qualified equity will private use be allocated to tax-exempt bond proceeds. As described below, these allocations are done on an annual basis.

Partnerships

The Regulations permit the governmental share of a project used in joint ventures to be financed with governmental bonds by treating the partnership of governmental entities and private entities as an aggregate of the partners rather than as a separate taxable entity. The private business use by a private entity partner will be determined based on that partner’s greatest percentage share of any of the specified partnership items, income, gain, loss, deduction or credit attributable to the partnership during the measurement period. Taken together with the undivided portion allocation method, this treatment permits qualified equity to be allocated to the private entity partner’s private business use.

Measurement of Private Business Use

All private business uses of property financed by a bond issue are aggregated to determine if the limitations have been exceeded. Private business use of property is measured on an average basis over a measurement period that runs from the later of the issue date of the bonds or the date property is placed in service, through the earlier of the last date of the expected economic life of the property or the maturity date of the bonds or refunding bonds. The average percentage of private business use is the average of the percentages of private business during one-year periods within the measurement period. The percentage of private business use for any one-year period is the average private business use for that year, determined by comparing the amount of private business use during that year to the total amount of private business use and governmental use, taking into account any allocations of private business use to qualified equity.

EXHIBIT 1

RESEARCH CONTRACT GUIDELINES

Rev. Proc. 2007-47—Operating Guidelines for Research Agreements

(Also Part I, section 103, 141, 145; 1.141-3, 1.145-2.) June 26, 2007

SECTION 1. PURPOSE

The purpose of this revenue procedure is to set forth conditions under which a research agreement does not result in private business use under section 141(b) of the Internal Revenue Code of 1986 (the Code). This revenue procedure also addresses whether a research agreement causes the modified private business use test in section 145(a)(2)(B) of the Code to be met for qualified 501(c)(3) bonds. This revenue procedure modifies and supersedes Rev. Proc. 97-14, 1997-1 C.B. 634.

SECTION 2. BACKGROUND

2.01 *Private Business Use.*

(1) Under section 103(a) of the Code, gross income does not include interest on any State or local bond. Under section 103(b)(1), however, section 103(a) does not apply to a private activity bond, unless it is a qualified bond under section 141(e). Section 141(a)(1) defines “private activity bond” as any bond issued as part of an issue that meets both the private business use and the private security or payment tests. Under section 141(b)(1), an issue generally meets the private business use test if more than 10 percent of the proceeds of the issue are to be used for any private business use. Under section 141(b)(6)(A), private business use means direct or indirect use in a trade or business carried on by any person other than a governmental unit. Section 150(a)(2) provides that the term “governmental unit” does not include the United States or any agency or instrumentality thereof. Section 145(a) also applies the private business use test of section 141(b)(1) to qualified 501(c)(3) bonds, with certain modifications.

(2) Section 1.141-3(b)(1) of the Income Tax Regulations provides that both actual and beneficial use by a nongovernmental person may be treated as private business use. In most cases, the private business use test is met only if a nongovernmental person has special legal entitlements to use the financed property under an arrangement with the District. In general, a nongovernmental person is treated as a private business user of proceeds and financed property as a result of ownership; actual or beneficial use of property pursuant to a lease, or a management or incentive payment contract; or certain other arrangements such as a take or pay or other output-type contract.

(3) Section 1.141-3(b)(6)(i) provides generally that an agreement by a nongovernmental person to sponsor research performed by a governmental person may result in private business use of the property used for the research, based on all the facts and circumstances.

(4) Section 1.141-3(b)(6)(ii) provides generally that a research agreement with respect to financed property results in private business use of that property if the sponsor is treated as the lessee or owner of financed property for Federal income tax purposes.

(5) Section 1.141-1(b) provides that the term “governmental person” means a State or local governmental unit as defined in section 1.103-1 or any instrumentality thereof. Section 1.141-1(b) further provides that governmental person does not include the United States or any agency or instrumentality thereof. Section 1.141-1(b) further provides that “nongovernmental person” means a person other than a governmental person.

(6) Section 1.145-2 provides that sections 1.141-0 through 1.141-15 apply to qualified 501(c)(3) bonds under section 145(a) of the Code with certain modifications and exceptions. (7) Section 1.145-2(b)(1) provides that, in applying sections 1.141-0 through 1.141-15 to section 145(a) of the Code, references to governmental persons include section 501(c)(3) organizations with respect to their activities that do not constitute unrelated trades or businesses under section 513(a).

2.02 *Federal Government rights under the Bayh-Dole Act.*

(1) The Patent and Trademark Law Amendments Act of 1980, as amended, 35 U.S.C. section 200 et seq. (2006) (the “Bayh-Dole Act”), generally applies to any contract, grant, or cooperative agreement with any Federal agency for the performance of research funded by the Federal Government.

(2) The policies and objectives of the Bayh-Dole Act include promoting the utilization of inventions arising from federally supported research and development programs, encouraging maximum participation of small business firms in federally supported research and development efforts, promoting collaboration between commercial concerns and nonprofit organizations, ensuring that inventions made by nonprofit organizations and small business firms are used in a manner to promote free competition and enterprise, and promoting the commercialization and public availability of inventions made in the United States by United States industry and labor.

(3) Under the Bayh-Dole Act, the Federal Government and sponsoring Federal agencies receive certain rights to inventions that result from federally funded research activities performed by non-sponsoring parties pursuant to contracts, grants, or cooperative research agreements with the sponsoring Federal agencies. The rights granted to the Federal Government and its agencies under the Bayh-Dole Act generally include, among others, nonexclusive, nontransferable, irrevocable, paid-up licenses to use the products of federally sponsored research and certain so-called “march-in rights” over licensing under limited circumstances. Here, the term “march-in rights” refers to certain rights granted to the sponsoring Federal agencies under the Bayh-Dole Act, 35 U.S.C. section 203 (2006), to take certain actions, including granting licenses to third parties to ensure public benefits from the dissemination and use of the results of federally sponsored research in circumstances in which the original contractor or assignee has not taken, or is not expected to take within a reasonable time, effective steps to achieve practical application of the product of that research. The general purpose of these rights is to ensure the expenditure of Federal research funds in accordance with the policies and objectives of the Bayh-Dole Act.

SECTION 3. DEFINITIONS

3.01 *Basic research.* for purposes of section 141 of the Code, means any original investigation for the advancement of scientific knowledge not having a specific commercial

objective. For example, product testing supporting the trade or business of a specific nongovernmental person is not treated as basic research.

3.02 *Qualified user* means any State or local governmental unit as defined in section 1.1031 or any instrumentality thereof. The term also includes a section 501(c)(3) organization if the financed property is not used in an unrelated trade or business under section 513(a) of the Code. The term does not include the United States or any agency or instrumentality thereof.

3.03 *Sponsor* means any person, other than a qualified user, that supports or sponsors research under a contract.

SECTION 4. CHANGES

This revenue procedure modifies and supersedes Rev. Proc. 97-14 by making changes that are described generally as follows:

4.01 Section 6.03 of this revenue procedure modifies the operating guidelines on cooperative research agreements to include agreements regarding industry or federally sponsored research with either a single sponsor or multiple sponsors.

4.02 Section 6.04 of this revenue procedure provides special rules for applying the revised operating guidelines under section 6.03 of this revenue procedure to federally sponsored research. These special rules provide that the rights of the Federal Government and its agencies mandated by the Bayh-Dole Act will not cause research agreements to fail to meet the requirements of section 6.03, upon satisfaction of the requirements of section 6.04 of this revenue procedure. Thus, under the stated conditions, such rights themselves will not result in private business use by the Federal Government or its agencies of property used in research performed under research agreements. These special rules do not address the use by third parties that actually receive more than non-exclusive, royalty-free licenses as the result of the exercise by a sponsoring Federal agency of its rights under the Bayh-Dole Act, such as its march-in rights.

SECTION 5. SCOPE

This revenue procedure applies when, under a research agreement, a sponsor uses property financed with proceeds of an issue of State or local bonds subject to section 141 or section 145(a)(2)(B) of the Code.

SECTION 6. OPERATING GUIDELINES FOR RESEARCH AGREEMENTS

6.01 *In general.* If a research agreement is described in either section 6.02 or 6.03 of this revenue procedure, the research agreement itself does not result in private business use. In applying the operating guidelines under section 6.03 of this revenue procedure to federally sponsored research, the special rules under section 6.04 of this revenue procedure (regarding the effect of the rights of the Federal Government and its agencies under the Bayh-Dole Act) apply.

6.02 *Corporate-sponsored research.* A research agreement relating to property used for basic research supported or sponsored by a sponsor is described in this section 6.02 if any license or other use of resulting technology by the *sponsor* is permitted only on the same terms as the

recipient would permit that use by any unrelated, non-sponsoring party (that is, the sponsor must pay a competitive price for its use), and the price paid for that use must be determined at the time the license or other resulting technology is available for use. Although the recipient need not permit persons other than the sponsor to use any license or other resulting technology, the price paid by the sponsor must be no less than the price that would be paid by any non-sponsoring party for those same rights.

6.03 *Industry or federally-sponsored research agreements.* A research agreement relating to property used pursuant to an industry or federally-sponsored research arrangement is described in this section 6.03 if the following requirements are met, taking into account the special rules set forth in section 6.04 of this revenue procedure in the case of federally sponsored research.

(1) A single sponsor agrees, or multiple sponsors agree, to fund governmentally performed basic research;

(2) The qualified user determines the research to be performed and the manner in which it is to be performed (for example, selection of the personnel to perform the research);

(3) Title to any patent or other product incidentally resulting from the basic research lies exclusively with the qualified user; and

(4) The sponsor or sponsors are entitled to no more than a nonexclusive, royalty- free license to use the product of any of that research.

6.04 *Federal Government rights under the Bayh-Dole Act.* In applying the operating guidelines on industry and federally-sponsored research agreements under section 6.03 of this revenue procedure to federally sponsored research, the rights of the Federal Government and its agencies mandated by the Bayh-Dole Act will not cause a research agreement to fail to meet the requirements of section 6.03, provided that the requirements of sections 6.03(2), and (3) are met, and the license granted to any party other than the qualified user to use the product of the research is no more than a nonexclusive, royalty-free license. Thus, to illustrate, the existence of march-in rights or other special rights of the Federal Government or the sponsoring Federal agency mandated by the Bayh-Dole Act will not cause a research agreement to fail to meet the requirements of section 6.03 of this revenue procedure, provided that the qualified user determines the subject and manner of the research in accordance with section 6.03(2), the qualified user retains exclusive title to any patent or other product of the research in accordance with section 6.03(3), and the nature of any license granted to the Federal Government or the sponsoring Federal agency (or to any third party nongovernmental person) to use the product of the research is no more than a nonexclusive, royalty-free license.

SECTION 7. EFFECT ON OTHER DOCUMENTS

Rev. Proc. 97-14 is modified and superseded.

SECTION 8. EFFECTIVE DATE

This revenue procedure is effective for any research agreement entered into, materially modified, or extended on or after June 26, 2007. In addition, an issuer may apply this revenue procedure to any research agreement entered into prior to June 26, 2007.

SECTION 9. DRAFTING INFORMATION

The principal authors of this revenue procedure are Vicky Tsilas and Johanna Som de Cerff of the Office of Associate Chief Counsel (Financial Institutions & Products). For further information regarding this revenue procedure, contact Johanna Som de Cerff at (202) 622-3980 (not a toll-free call).

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EXHIBIT 2

MANAGEMENT CONTRACT GUIDELINES

Rev. Proc. 97-13, 1997-1 C.B. 632—Management Contract Guidelines (Supersedes Rev. Proc. 93-19), as amended by Rev. Proc. 2001-39, 2001-2 C.B. 38 and Notice 2014-67

1997-1 C.B. 632; 1997 IRB LEXIS 14; 1997-5 I.R.B. 18; REV. PROV 97-13

Rev. Proc. 97-13

SECTION 1. PURPOSE

The purpose of this revenue procedure is to set forth conditions under which a management contract does not result in private business use under section 141(b) of the Internal Revenue Code of 1986. This revenue procedure also applies to determinations of whether a management contract causes the test in section 145(a)(2)(B) of the 1986 Code to be met for qualified 501(c)(3) bonds.

SECTION 2. BACKGROUND

2.01 Private Business Use.

(1) Under section 103(a) of the 1986 Code, gross income does not include interest on any state or local bond. Under section 103(b)(1) of the 1986 Code, however, section 103(a) of the 1986 Code does not apply to a private activity bond, unless it is a qualified bond under section 141(e) of the 1986 Code. Section 141(a)(1) of the 1986 Code defines “private activity bond” as any bond issued as part of an issue that meets both the private business use and the private security or payment tests. Under section 141(b)(1) of the 1986 Code, an issue generally meets the private business use test if more than 10 percent of the proceeds of the issue are to be used for any private business use. Under section 141(b)(6)(A) of the 1986 Code, private business use means direct or indirect use in a trade or business carried on by any person other than a governmental unit. Section 145(a) of the 1986 Code also applies the private business use test of section 141(b)(1) of the 1986 Code, with certain modifications.

(2) Corresponding provisions of the Internal Revenue Code of 1954 set forth the requirements for the exclusion from gross income of the interest on state or local bonds. For purposes of this revenue procedure, any reference to a 1986 Code provision includes a reference to the corresponding provision, if any, under the 1954 Code.

(3) Private business use can arise by ownership, actual or beneficial use of property pursuant to a lease, a management or incentive payment contract, or certain other arrangements. The Conference Report for the Tax Reform Act of 1986, provides as follows:

The conference agreement generally retains the present-law rules under which use by persons other than governmental units is determined for purposes of the trade or business use test. Thus, as under present law, the use of bond-financed property is treated as a use of bond proceeds. As under present law, a person may be a user of bond proceeds and bond-financed property as a result of (1) ownership or (2) actual or beneficial use of property pursuant to a lease, a management or

incentive payment contract, or (3) any other arrangement such as a take-or-pay or other output-type contract. 2 H.R. Conf. Rep. No. 841, 99th Cong., 2d Sess. II-687-688, (1986) 1986-3 (Vol. 4) C.B. 687-688 (footnote omitted).

(4) A management contract that gives a nongovernmental service provider an ownership or leasehold interest in financed property is not the only situation in which a contract may result in private business use.

(5) Section 1.141-3(b)(4)(i) of the Income Tax Regulations provides, in general, that a management contract (within the meaning of section 1.141-3(b)(4)(ii)) with respect to financed property may result in private business use of that property, based on all the facts and circumstances.

(6) Section 1.141-3(b)(4)(i) provides that a management contract with respect to financed property generally results in private business use of that property if the contract provides for compensation for services rendered with compensation based, in whole or in part, on a share of net profits from the operation of the facility.

(7) Section 1.141-3(b)(4)(iii), in general, provides that certain arrangements generally are not treated as management contracts that may give rise to private business use. ~~These are—~~

(a) Contracts for services that are solely incidental to the primary governmental function or functions of a financed facility (for example, contracts for janitorial, office equipment repair, hospital billing or similar services);

(b) The mere granting of admitting privileges by a hospital to a doctor, even if those privileges are conditioned on the provision of de minimis services, if those privileges are available to all qualified physicians in the area, consistent with the size and nature of its facilities;

(c) A contract to provide for the operation of a facility or system of facilities that consists predominantly of public utility property (as defined in section 168(i)(10) of the 1986 Code), if the only compensation is the reimbursement of actual and direct expenses of the service provider and reasonable administrative overhead expenses of the service provider; and

(d) A contract to provide for services, if the only compensation is the reimbursement of the service provider for actual and direct expenses paid by the service provider to unrelated parties.

(8) Section 1.145-2(a) provides generally that sections 1.141-0 through 1.141-15 apply to section 145(a) of the 1986 Code.

(9) Section 1.145-2(b)(1) provides that in applying sections 1.141-0 through 1.141-15 to section 145(a) of the 1986 Code, references to governmental persons include section 501(c)(3) organizations with respect to their activities that do not constitute unrelated trades or businesses under section 513(a) of the 1986 Code.

2.02 *Existing Advance Ruling Guidelines*. Rev. Proc. 93-19, 1993-1 C.B. 526, contains advance ruling guidelines for determining whether a management contract results in private business use under section 141(b) of the 1986 Code.

SECTION 3. DEFINITIONS

3.01 *Adjusted gross revenues* means gross revenues of all or a portion of a facility, less allowances for bad debts and contractual and similar allowances.

3.02 *Capitation fee* means a fixed periodic amount for each person for whom the service provider or the qualified user assumes the responsibility to provide all needed services for a specified period so long as the quantity and type of *services* actually provided to covered persons varies substantially. For example, a capitation fee includes a fixed dollar amount payable per month to a medical service provider for each member of a health maintenance organization plan for whom the provider agrees to provide all needed medical services for a specified period. A capitation fee may include a variable component of up to 20 percent of the total capitation fee designed to protect the service provider against risks such as catastrophic loss.

3.03 *Management contract* means a management, service, or incentive payment contract between a qualified user and a service provider under which the service provider provides services involving all, a portion of, or any function of, a facility. For example, a contract for the provision of management services for an entire hospital, a contract for management services for a specific department of a hospital, and an incentive payment contract for physician services to patients of a hospital are each treated as a management contract. See sections 1.141-3(b)(4)(ii) and 1.145-2.

3.04 *Penalties* for terminating a contract include a limitation on the qualified user's right to compete with the service provider; a *requirement* that the qualified user purchase equipment, goods, or services from the service provider; and a requirement that the qualified user pay liquidated damages for cancellation of the contract. In contrast, a requirement effective on cancellation that the qualified user reimburse the service provider for ordinary and necessary expenses or a restriction on the qualified user against hiring key personnel of the service provider is generally not a contract termination penalty. Another contract between the service provider and the qualified user, such as a loan or guarantee by the service provider, is treated as creating a contract termination penalty if that contract contains terms that are not customary or arm's-length that could operate to prevent the qualified user from terminating the contract (for example, provisions under which the contract terminates if the management contract is terminated or that place substantial restrictions on the selection of a substitute service provider).

3.05 *Periodic fixed fee* means a stated dollar amount for services rendered for a specified period of time. For example, a stated dollar amount per month is a periodic fixed fee. The stated dollar amount may automatically increase according to a specified, objective, external standard that is not linked to the output or efficiency of a facility. For example, the Consumer Price Index and similar external indices that track increases in prices in an area or increases in revenues or costs in an industry are objective external standards. Capitation fees and per-unit fees are not periodic fixed fees.

3.06 *Per-unit fee* means a fee based on a unit of service provided specified in the contract or otherwise specifically determined by an independent third party, such as the administrator of the Medicare program, or the qualified user. For example, a stated dollar amount for each specified medical procedure performed, car parked, or passenger mile is a per-unit fee. Separate billing arrangements between physicians and hospitals generally are treated as per-unit fee arrangements.

3.07 *Qualified user* means any state or local governmental unit as defined in section 1.103-1 or any instrumentality thereof. The term also includes a section 501(c)(3) organization if the financed property is not used in an unrelated trade or business under section 513(a) of the 1986 Code. The term does not include the United States or any agency or instrumentality thereof.

3.08 *Renewal option* means a provision under which the service provider has a legally enforceable right to renew the contract. Thus, for example, a provision under which a contract is automatically renewed for one-year periods absent cancellation by either party is not a renewal option (even if it is expected to be renewed).

3.09 *Service provider* means any person other than a qualified user that provides services under a contract to, or for the benefit of, a qualified user.

SECTION 4. SCOPE

This revenue procedure applies when, under a management contract, a service provider provides management or other services involving property financed with proceeds of an issue of state or local bonds subject to section 141 or section 145(a)(2)(B) of the 1986 Code.

SECTION 5. OPERATING GUIDELINES FOR MANAGEMENT CONTRACTS

5.01 **IN GENERAL.** If the requirements of section 5 of this revenue procedure are satisfied, the management contract does not itself result in private business use. In addition, the use of financed property, pursuant to a management contract meeting the requirements of section 5 of this revenue procedure, is not private business use if that use is functionally related and subordinate to that management contract and that use is not, in substance, a separate contractual agreement (for example, a separate lease of a portion of the financed property). Thus, for example, exclusive use of storage areas by the manager for equipment that is necessary for it to perform activities required under a management contract that meets the requirements of section 5 of this revenue procedure, is not private business use.

5.02 GENERAL COMPENSATION REQUIREMENTS.

(1) **IN GENERAL.** The contract must provide for reasonable compensation for services rendered with no compensation based, in whole or in part, on a share of net profits from the operation of the facility. Reimbursement of the service provider for actual and direct expenses paid by the service provider to unrelated parties is not by itself treated as compensation.

(2) **ARRANGEMENTS THAT GENERALLY ARE NOT TREATED AS NET PROFITS ARRANGEMENTS.** For purposes of section 1.141-3(b)(4)(i) and this revenue procedure, compensation based on--

(a) A percentage of gross revenues (or adjusted gross revenues) of a facility or a percentage of expenses from a facility, but not both;

(b) A capitation fee; or

(c) A per-unit fee is generally not considered to be based on a share of net profits.

(3) **PRODUCTIVITY REWARD.** For purposes of section 1.141-3(b)(4)(i) and this revenue procedure, a productivity reward equal to a stated dollar amount based on increases or decreases in gross revenues (or adjusted gross revenues), or reductions in total expenses (but not both increases in gross revenues (or adjusted gross revenues) and reductions in total expenses) in any annual period during the term of the contract, generally does not cause the compensation to be based on a share of net profits. A productivity reward for services in any annual period during the term of the contract generally also does not cause the compensation to be based on a share of net profits of the financed facility if:

(a) The eligibility for the productivity award is based on the quality of the services provided under the management contract (for example, the achievement of Medicare Shared Savings Program quality performance standards or meeting data reporting requirements), rather than increases in revenues or decreases in expenses of the facility; and

(b) The amount of the productivity award is a stated dollar amount, a periodic fixed fee, or a tiered system of stated dollar amounts or periodic fixed fees based solely on the level of performance achieved with respect to the applicable measure.

(4) **REVISION OF COMPENSATION ARRANGEMENTS.** In general, if the compensation arrangements of a management contract are materially revised, the requirements for compensation arrangements under section 5 of this revenue procedure are retested as of the date of the material revision, and the management contract is treated as one that was newly entered into as of the date of the material revision.

5.03 PERMISSIBLE ARRANGEMENTS. The management contract must be described in section 5.03(1), (2), (3), (4), (5), (6), or (7) of this revenue procedure.

(1) **95 PERCENT PERIODIC FIXED FEE ARRANGEMENTS.** At least 95 percent of the compensation for services for each annual period during the term of the contract is based on a periodic fixed fee. The term of the contract, including all renewal options, must not exceed the lesser of 80 percent of the reasonably expected useful life of the financed property and 15 years. For purposes of this section 5.03(1), a fee does not fail to qualify as a periodic fixed fee as a result of a one-time incentive award during the term of the contract under which compensation automatically increases when a gross revenue or expense target (but not both) is reached if that award is equal to a single, stated dollar amount.

(2) **80 PERCENT PERIODIC FIXED FEE ARRANGEMENTS.** At least 80 percent of the compensation for services for each annual period during the term of the contract is based on a periodic fixed fee. The term of the contract, including all renewal options, must not exceed the lesser of 80 percent of the reasonably expected useful life of the financed property and 10 years.

For purposes of this section 5.03(2), a fee does not fail to qualify as a periodic fixed fee as a result of a one-time incentive award during the term of the contract under which compensation automatically increases when a gross revenue or expense target (but not both) is reached if that award is equal to a single, stated dollar amount.

(3) SPECIAL RULE FOR PUBLIC UTILITY PROPERTY. If all of the financed property subject to the contract is a facility or system of facilities consisting of predominantly public utility property (as defined in section 168(i)(10) of the 1986 Code), then “20 years” is substituted—

- (a) For “15 years” in applying section 5.03(1) of this revenue procedure; and
- (b) For “10 years” in applying section 5.03(2) of this revenue procedure.

(4) 50 PERCENT PERIODIC FIXED FEE ARRANGEMENTS. Either at least 50 percent of the compensation for services for each annual period during the term of the contract is based on a periodic fixed fee or all of the compensation for services is based on a capitation fee or a combination of a capitation fee and a periodic fixed fee. The term of the contract, including all renewal options, must not exceed 5 years. The contract must be terminable by the qualified user on reasonable notice, without penalty or cause, at the end of the third year of the contract term.

(5) PER-UNIT FEE ARRANGEMENTS IN CERTAIN 3-YEAR CONTRACTS. All of the compensation for services is based on a per-unit fee or a combination of a per-unit fee and a periodic fixed fee. The term of the contract, including all renewal options, must not exceed 3 years. The contract must be terminable by the qualified user on reasonable notice, without penalty or cause, at the end of the second year of the contract term.

(6) Percentage Of Revenue Or Expense Fee Arrangements In Certain 2-Year Contracts. All the compensation for services is based on a percentage of fees charged or a combination of a per-unit fee and a percentage of revenue or expense fee. During the start-up period, however, compensation may be based on a percentage of either gross revenues, adjusted gross revenues, or expenses of a facility. The term of the contract, including renewal options, must not exceed 2 years. The contract must be terminable by the qualified user on reasonable notice, without penalty or cause, at the end of the first year of the contract term. This section 5.03(6) applies only to--

- (a) Contracts under which the service provider primarily provides services to third parties (for example, radiology services to patients); and
- (b) Management contracts involving a facility during an initial start-up period for which there have been insufficient operations to establish a reasonable estimate of the amount of the annual gross revenues and expenses (for example, a contract for general management services for the first year of operations). .

5.04 NO CIRCUMSTANCES SUBSTANTIALLY LIMITING EXERCISE OF RIGHTS.

(1) IN GENERAL. The service provider must not have any role or relationship with the qualified user that, in effect, substantially limits the qualified user's ability to exercise its rights, including cancellation rights, under the contract, based on all the facts and circumstances.

(2) SAFE HARBOR. This requirement is satisfied if--

(a) Not more than 20 percent of the voting power of the governing body of the qualified user in the aggregate is vested in the service provider and its directors, officers, shareholders, and employees;

(b) Overlapping board members do not include the chief executive officers of the service provider or its governing body or the qualified user or its governing body; and

(c) The qualified user and the service provider under the contract are not related parties, as defined in section 1.150-1(b).

(3) ARRANGEMENTS IN CERTAIN 5-YEAR CONTRACTS.

All of the compensation for services is based on a stated amount; periodic fixed fee; a capitation fee; a per-unit fee; or a combination of the preceding. The compensation for services also may include a percentage of gross revenues, adjusted gross revenues, or expenses of the facility (but not both revenues and expenses). The term of the contract, including all renewal options, does not exceed five years. Such contract need not be terminable by the qualified user prior to the end of the term. For purposes of this section 5.03(7), a tiered productivity award as described in section 5.02(3) will be treated as a stated amount or a periodic fixed fee, as appropriate.

SECTION 6. EFFECT ON OTHER DOCUMENTS

Rev. Proc. 93-19, 1993-1 C.B. 526, is made obsolete on the effective date of this revenue procedure.

SECTION 7. EFFECTIVE DATE

This revenue procedure is effective for any management contract entered into, materially modified, or extended (other than pursuant to a renewal option) on or after May 16, 1997. In addition, an issuer may apply this revenue procedure to any management contract entered into prior to May 16, 1997.

DRAFTING INFORMATION

The principal author of this revenue procedure is Loretta J. Finger of the Office of Assistant Chief Counsel (Financial Institutions and Products). For further information regarding this revenue procedure contact Loretta J. Finger on (202) 622-3980 (not a toll-free call).

Rev. Proc. 2001--39; 2001--28 IRB 1 (18 Jun 2001)

===== SUMMARY =====

The Service in Rev. Proc. 2001--39 has modified the definitions of capitation fee and per-unit fee in Rev. Proc. 97--13, 1997--1 C.B. 632, to allow an automatic increase of those fees according to a specified, objective, external standard that isn't linked to the output or efficiency of a facility.

Rev. Proc. 2001--39 applies when, under a management contract, a service provider provides management or other services involving property financed with proceeds of an issue of state or local bonds subject to section 141 or section 145(a)(2)(B). Rev. Proc. 2001-39 is effective for any management contract entered into, materially modified, or extended after July 8, 2001. Also, an issuer may apply the revenue procedure to any management contract entered into before July 9, 2001.

===== FULL TEXT ===== Part III

Administrative, Procedural, and Miscellaneous

26 CFR 601.601: Rules and regulations. (Also Part I, sections 103, 141, 145; 1.141--3, 1.145--2.)

SECTION 1. PURPOSE

This revenue procedure modifies the definitions of capitation fee and per-unit fee in Rev. Proc. 97--13, 1997--1 C.B. 632, to permit an automatic increase of those fees according to a specified, objective, external standard that is not linked to the output or efficiency of a facility (for example, the Consumer Price Index).

SECTION 2. BACKGROUND

2.01 Rev. Proc. 97--13 sets forth conditions under which a management contract does not result in private business use under section 141(b) of the Internal Revenue Code. The revenue procedure also applies to determinations of whether a management contract causes the test in section 145(a)(2)(B) to be met.

2.02 Section 3 of Rev. Proc. 97--13 defines various terms, including capitation fee, periodic fixed fee, and per-unit fee.

2.03 Section 3.02 of Rev. Proc. 97--13 defines a capitation fee as a fixed periodic amount for each person for whom the service provider or the qualified user assumes the responsibility to provide all needed services for a specified period so long as the quantity and type of services actually provided to covered persons varies substantially. A capitation fee may include a variable component of up to 20 percent of the total capitation fee designed to protect the service provider against risks such as catastrophic loss.

2.04 Section 3.05 of Rev. Proc. 97--13 defines a periodic fixed fee as a stated dollar amount for services rendered for a specified period of time. The definition of periodic fixed fee

provides that the stated dollar amount may automatically increase according to a specified, objective, external standard that is not linked to the output or efficiency of a facility.

2.05 Section 3.06 of Rev. Proc. 97--13 defines a per--unit fee as a fee based on a unit of service provided specified in the contract or otherwise specifically determined by an independent third party, such as the administrator of the Medicare program, or the qualified user.

2.06 Neither the capitation fee definition nor the per--unit fee definition expressly contemplates an automatic increase based on a specified, objective, external standard not linked to the output or efficiency of the facility.

2.07 This revenue procedure clarifies that a capitation fee and a per-unit fee may be determined using an automatic increase according to a specified, objective, external standard that is not linked to the output or efficiency of a facility (for example, the Consumer Price Index).

SECTION 3. SCOPE

This revenue procedure applies when, under a management contract, a service provider provides management or other services involving property financed with proceeds of an issue of state or local bonds subject to section 141 or section 145(a)(2)(B).

SECTION 4. MODIFICATIONS

4.01 Section 3.02 of Rev. Proc. 97--13 is modified to add the following text immediately before the last sentence:

A fixed periodic amount may include an automatic increase according to a specified, objective, external standard that is not linked to the output or efficiency of a facility. For example, the Consumer Price Index and similar external indices that track increases in prices in an area or increases in revenues or costs in an industry are objective, external standards. .02 Section 3.06 of Rev. Proc. 97--13 is modified to add the following text at the end:

A fee that is a stated dollar amount specified in the contract does not fail to be a per-unit fee as a result of a provision under which the fee may automatically increase according to a specified, objective, external standard that is not linked to the output or efficiency of a facility. For example, the Consumer Price Index and similar external indices that track increases in prices in an area or increases in revenues or costs in an industry are objective, external standards.

SECTION 5. SECTION 5. INQUIRIES

For further information regarding this revenue procedure contact David White at (202) 622-3980 (not a toll-free call).

SECTION 6. EFFECT ON OTHER DOCUMENTS

This revenue procedure modifies Rev. Proc. 97--13, 1997--1 C.B. 632.

SECTION 7. EFFECTIVE DATE

This revenue procedure is effective for any management contract entered into, materially modified, or extended (other than pursuant to a renewal option) on or after July 9, 2001. In addition, an issuer may apply this revenue procedure to any management contract entered into prior to July 9, 2001.

DRAFTING INFORMATION

The principal authors of this revenue procedure are Mary Truchly and Rebecca Harrigal, Office of Chief Counsel.

EXHIBIT 3

MANAGEMENT CONTRACT GUIDELINES

Rev. Proc. 2017-13

SECTION 1. PURPOSE

This revenue procedure provides safe harbor conditions under which a management contract does not result in private business use of property financed with governmental tax-exempt bonds under § 141(b) of the Internal Revenue Code or cause the modified private business use test for property financed with qualified 501(c)(3) bonds under § 145(a)(2)(B) to be met. This revenue procedure modifies, amplifies, and supersedes Rev. Proc. 2016-44, 2016-36 IRB 316, to address certain types of compensation, the timing of payment of compensation, the treatment of land, and methods of approval of rates. Sections 2.11 through 2.14 of this revenue procedure generally describe the modifications and amplifications made to Rev. Proc. 2016-44 by this revenue procedure.

SECTION 2. BACKGROUND

2.01 Section 103(a) provides that, except as provided in § 103(b), gross income does not include interest on any State or local bond. Section 103(b)(1) provides that § 103(a) shall not apply to any private activity bond that is not a qualified bond (within the meaning of § 141). Section 141(a) provides that the term “private activity bond” means any bond issued as part of an issue (1) that meets the private business use test and private security or payment test, or (2) that meets the private loan financing test.

2.02 Section 141(b)(1) provides generally that an issue meets the private business use test if more than 10 percent of the proceeds of the issue are to be used for any private business use. Section 141(b)(6) defines “private business use” as use (directly or indirectly) in a trade or business carried on by any person other than a governmental unit. For this purpose, any activity carried on by a person other than a natural person must be treated as a trade or business.

2.03 Section 1.141-3(a)(1) of the Income Tax Regulations provides, in part, that the 10 percent private business use test of § 141 (b)(1) is met if more than 10 percent of the proceeds of an issue is used in a trade or business of a nongovernmental person. For this purpose, the use of financed property is treated as the direct use of proceeds. Section 1.141-3(a)(2) provides that, in determining whether an issue meets the private business use test, it is necessary to look at both indirect and direct use of proceeds. Proceeds are treated as used in the trade or business of a nongovernmental person if a nongovernmental person, as a result of a single transaction or a series of related transactions, uses property acquired with the proceeds of an issue.

2.04 Section 1.141-3(b)(1) provides that both actual and beneficial use by a nongovernmental person may be treated as private business use. In most cases, the private business use test is met only if a nongovernmental person has special legal entitlements to use the financed property under an arrangement with the District. In general, a nongovernmental person is treated as a private business user as a result of ownership; actual or beneficial use of property pursuant to

a lease, a management contract, or an incentive payment contract; or certain other arrangements such as a take or pay or other output-type contract.

2.05 Section 1.141 -3(b)(3) provides generally that the lease of financed property to a nongovernmental person is private business use of that property. For this purpose, any arrangement that is properly characterized as a lease for federal income tax purposes is treated as a lease. Section 1.141 -3(b)(3) further provides that, in determining whether a management contract is properly characterized as a lease, it is necessary to consider all the facts and circumstances, including the following factors: (1) the degree of control over the property that is exercised by a nongovernmental person; and (2) whether a nongovernmental person bears the risk of loss of the financed property.

2.06 Section 1.141 -3(b)(4)(i) provides generally that a management contract with respect to financed property may result in private business use of that property, based on all of the facts and circumstances. A management contract with respect to financed property generally results in private business use of that property if the contract provides for compensation for services rendered with compensation based, in whole or in part, on a share of net profits from the operations of the facility. Section 1.141-3(b)(4)(iv) provides generally that a management contract with respect to financed property results in private business use of that property if the service provider is treated as the lessee or owner of financed property for federal income tax purposes.

2.07 Section 1.141 -3(b)(4)(ii) defines “management contract” as a management, service, or incentive payment contract between a governmental person and a service provider under which the service provider provides services involving all, a portion, or any function, of a facility. For example, a contract for the provision of management services for an entire hospital, a contract for management services for a specific department of a hospital, and an incentive payment contract for physician services to patients of a hospital are each treated as a management contract.

2.08 Section 1.141 -3(b)(4)(iii) provides that the following arrangements generally are not treated as management contracts that give rise to private business use: (A) contracts for services that are solely incidental to the primary governmental function or functions of a financed facility (for example, contracts for janitorial, office equipment repair, hospital billing, or similar services); (B) the mere granting of admitting privileges by a hospital to a doctor, even if those privileges are conditioned on the provision of de minimis services if those privileges are available to all qualified physicians in the area, consistent with the size and nature of the hospital’s facilities; (C) a contract to provide for the operation of a facility or system of facilities that consists primarily of public utility property, if the only compensation is the reimbursement of actual and direct expenses of the service provider and reasonable administrative overhead expenses of the service provider; and (D) a contract to provide for services, if the only compensation is the reimbursement of the service provider for actual and direct expenses paid by the service provider to unrelated parties.

2.09 Section 141(e) provides, in part, that the term “qualified bond” includes a qualified 501(c)(3) bond if certain requirements stated therein are met. Section 145(a) provides generally that “qualified 501(c)(3) bond” means any private activity bond issued as part of an issue if (1) all property that is to be provided by the net proceeds of the issue is to be owned by a 501(c)(3) organization or a governmental unit, and (2) such bond would not be a private activity bond if (A) 501(c)(3) organizations were treated as governmental units with respect to their activities that do

not constitute unrelated trades or businesses, determined by applying § 513(a), and (B) § 141(b)(1) and (2) were applied by substituting “5 percent” for “10 percent” each place it appears and by substituting “net proceeds” for “proceeds” each place it appears. Section 1.1452 provides that, with certain exceptions and modifications, §§ 1.141-0 through 1.141-15 apply to § 145(a).

2.10 Rev. Proc. 2016-44 provides safe harbor conditions under which a management contract does not result in private business use of property financed with governmental tax-exempt bonds under § 141(b) or cause the modified private business use test for property financed with qualified 501(c)(3) bonds under § 145(a)(2)(B) to be met. Rev. Proc. 2016-44 modified and superseded Rev. Proc. 97-13, 1997-1 C.B. 632; Rev. Proc. 2001-39, 2001-2 C.B. 38; and section 3.02 of Notice 2014-67, 2014-46 I.R.B. 822.

2.11 Section 5.02 of Rev. Proc. 2016-44 sets forth general financial requirements for management compensation arrangements eligible for the safe harbor. Sections 5.02(2) and 5.02(3) of Rev. Proc. 2016-44 provide that the contract must neither provide to the service provider a share of net profits nor impose on the service provider the burden of bearing any share of net losses from the operation of the managed property. Before the publication of Rev. Proc. 2016-44, previously applicable revenue procedures expressly treated certain types of compensation, including capitation fees, periodic fixed fees, and per-unit fees (as defined therein), as not providing a share of net profits. Questions have arisen regarding whether these common types of compensation continue to be treated in a similar manner under Rev. Proc. 2016-44. Related questions have arisen about whether a service provider’s payment of expenses of the operation of the managed property without reimbursement from the qualified user (as defined in section 4.04 of Rev. Proc. 2016-44) affects the treatment of these types of compensation. To provide continuity with the previous safe harbors, this revenue procedure clarifies that these types of compensation and certain incentive compensation will not be treated as providing a share of net profits or requiring the service provider to bear a share of net losses.

2.12 Sections 5.02(2) and 5.02(3) of Rev. Proc. 2016-44 also provide that the timing of payment of compensation cannot be contingent upon net profits or net losses from the operation of the managed property. Questions have arisen about the effect of these restrictions on the timing of payment of compensation. This revenue procedure clarifies that compensation subject to an annual payment requirement and reasonable consequences for late payment (such as interest charges or late payment fees) will not be treated as contingent upon net profits or net losses if the contract includes a requirement that the qualified user will pay the deferred compensation within five years of the original due date of the payment.

2.13 Section 5.03 of Rev. Proc. 2016-44 provides that the term of the contract, including all renewal options (as defined in § 1.141-1(b)), must be no greater than the lesser of 30 years or 80 percent of the weighted average reasonably expected economic life of the managed property. For this purpose, under Rev. Proc. 2016-44, economic life is determined in the same manner as under §147(b), but without regard to §147(b)(3)(B)(ii), as of the beginning of the term of contract. Section 147(b)(3)(B)(i) provides that generally land is not taken into account, but §147(b)(3)(B)(ii) provides that if 25 percent or more of the net proceeds of any issue is to be used to finance the acquisition of land, such land shall be taken into account and treated as having an economic life of 30 years. Questions have arisen about excluding land when the cost of the land accounts for a significant portion of the managed property. This revenue procedure provides that economic life

is determined in the same manner as under §147(b) as of the beginning of the term of the contract. Thus, land will be treated as having an economic life of 30 years if 25 percent or more of the net proceeds of the issue that finances the managed property is to be used to finance the costs of such land.

2.14 Section 5.04 of Rev. Proc. 2016-44 provides that the qualified user must exercise a significant degree of control over the use of the managed property. Section 5.04 of Rev. Proc. 2016-44 further provides that this requirement is met if the contract requires the qualified user to approve, among other things, the rates charged for use of the managed property. Section 5.04 of Rev. Proc. 2016-44 also provides that a qualified user may show approval of rates charged for use of the managed property by either expressly approving such rates (or the methodology for setting such rates) or by including in the contract a requirement that service provider charge rates that are reasonable and customary as specifically determined by an independent third party. Questions have arisen about the requirement to approve the rates in various circumstances in which it may not be feasible to approve each specific rate charged, such as for a physician's professional services at a § 501(c)(3) hospital or hotel room rates at a governmentally-owned hotel. This revenue procedure clarifies that a qualified user may satisfy the approval of rates requirement by approving a reasonable general description of the method used to set the rates or by requiring that the service provider charge rates that are reasonable and customary as specifically determined by, or negotiated with, an independent third party.

SECTION 3. SCOPE

This revenue procedure applies to a management contract (as defined in section 4.03 of this revenue procedure) involving managed property (as defined in section 4.04 of this revenue procedure) financed with the proceeds of an issue of governmental bonds (as defined in §1.141-1(b)) or qualified 501(c)(3) bonds (as defined in §145).

SECTION 4. DEFINITIONS

For purposes of this revenue procedure, the following definitions apply:

4.01 Capitation fee means a fixed periodic amount for each person for whom the service provider or the qualified user assumes the responsibility to provide all needed services for a specified period so long as the quantity and type of services actually provided to such persons varies substantially. For example, a capitation fee includes a fixed dollar amount payable per month to a medical service provider for each member of a health maintenance organization plan for whom the provider agrees to provide all needed medical services for a specified period. A fixed periodic amount may include an automatic increase according to a specified, objective, external standard that is not linked to the output or efficiency of the managed property. For example, the Consumer Price Index and similar external indices that track increases in prices in an area or increases in revenues or costs in an industry are objective, external standards. A capitation fee may include a variable component of up to 20 percent of the total capitation fee designed to protect the service provider against risk such as risk of catastrophic loss.

4.02 Eligible expense reimbursement arrangement means a management contract under which the only compensation consists of reimbursements of actual and direct expenses paid by the

service provider to unrelated parties and reasonable related administrative overhead expenses of the service provider.

4.03 Management contract means a management, service, or incentive payment contract between a qualified user and a service provider under which the service provider provides services for a managed property. A management contract does not include a contract or portion of a contract for the provision of services before a managed property is placed in service (for example, pre-operating services for construction design or construction management).

4.04 Managed property means the portion of a project (as defined in § 1.141-6(a)(3)) with respect to which a service provider provides services.

4.05 Periodic fixed fee means a stated dollar amount for services rendered for a specified period of time. For example, a stated dollar amount per month is a periodic fixed fee. The stated dollar amount may automatically increase according to a specified, objective external standard that is not linked to the output or efficiency of the managed property. For example, the Consumer Price Index and similar external indices that track increases in prices in an area or increases in revenues or costs in an industry are objective external standards. Capitation fees and per-unit fees are not periodic fixed fees.

4.06 Per-unit fee means a fee based on a unit of service provided specified in the contract or otherwise specifically determined by an independent third party, such as the administrator of the Medicare program, or the qualified user. For example, a stated dollar amount for each specified medical procedure performed, car parked, or passenger mile is a per-unit fee. Separate billing arrangements between physicians and hospitals are treated as per-unit fee arrangements. A fee that is a stated dollar amount specified in the contract does not fail to be a per-unit fee as a result of a provision under which the fee may automatically increase according to a specified, objective, external standard that is not linked to the output or efficiency of the managed property. For example, the Consumer Price Index and similar external indices that track increases in prices in an area or increases in revenues or costs in an industry are objective, external standards.

4.07 Qualified user means, for projects (as defined in § 1.141-6(a)(3)) financed with governmental bonds, any governmental person (as defined in § 1.141-1 (b)) or, for projects financed with qualified 501(c)(3) bonds, any governmental person or any 501(c)(3) organization with respect to its activities which do not constitute an unrelated trade or business, determined by applying § 513(a).

4.08 Service provider means any person other than a qualified user that provides services to, or for the benefit of, a qualified user under a management contract.

4.09 Unrelated parties means persons other than either: (1) a related party (as defined in § 1.150-1(b)) to the service provider or (2) a service provider's employee.

SECTION 5. SAFE HARBOR CONDITIONS UNDER WHICH MANAGEMENT CONTRACTS DO NOT RESULT IN PRIVATE BUSINESS USE

5.01 In general. If a management contract meets all of the applicable conditions of sections 5.02 through section 5.07 of this revenue procedure, or is an eligible expense

reimbursement arrangement, the management contract does not result in private business use under § 141(b) or 145(a)(2)(B). Further, under section 5.08 of this revenue procedure, use functionally related and subordinate to a management contract that meets these conditions does not result in private business use.

5.02 General financial requirements.

(1) In general. The payments to the service provider under the contract must be reasonable compensation for services rendered during the term of the contract. Compensation includes payments to reimburse actual and direct expenses paid by the service provider and related administrative overhead expenses of the service provider.

(2) No net profits arrangements. The contract must not provide to the service provider a share of net profits from the operation of the managed property. Compensation to the service provider will not be treated as providing a share of net profits if no element of the compensation takes into account, or is contingent upon, either the managed property's net profits or both the managed property's revenues and expenses (other than any reimbursements of direct and actual expenses paid by the service provider to unrelated third parties) for any fiscal period. For this purpose, the elements of the compensation are the eligibility for, the amount of, and the timing of the payment of the compensation. Incentive compensation will not be treated as providing a share of net profits if the eligibility for the incentive compensation is determined by the service provider's performance in meeting one or more standards that measure quality of services, performance, or productivity, and the amount and the timing of the payment of the compensation meet the requirements of this section 5.02(2).

(3) No bearing of net losses of the managed property. (a) The contract must not, in substance, impose upon the service provider the burden of bearing any share of net losses from the operation of the managed property. An arrangement will not be treated as requiring the service provider to bear a share of net losses if: (i) The determination of the amount of the service provider's compensation and the amount of any expenses to be paid by the service provider (and not reimbursed), separately and collectively, do not take into account either the managed property's net losses or both the managed property's revenues and expenses for any fiscal period; and (ii) The timing of the payment of compensation is not contingent upon the managed property's net losses. (b) For example, a service provider whose compensation is reduced by a stated dollar amount (or one of multiple stated dollar amounts) for failure to keep the managed property's expenses below a specified target (or one of multiple specified targets) will not be treated as bearing a share of net losses as a result of this reduction.

(4) Treatment of certain types of compensation. Without regard to whether the service provider pays expenses with respect to the operation of the managed property without reimbursement by the qualified user, compensation for services will not be treated as providing a share of net profits or requiring the service provider to bear a share of net losses under sections 5.02(2) and 5.02(3) of this revenue procedure if the compensation for services is: (a) based solely on a capitation fee, a periodic fixed fee, or a per-unit fee; (b) incentive compensation described in the last sentence of section 5.02(2) of this revenue procedure; or (c) a combination of these types of compensation.

(5) Treatment of timing of payment of compensation. Deferral due to insufficient net cash flows from the operation of the managed property of the payment of compensation that otherwise meets the requirements of sections 5.02(2) and 5.02(3) of this revenue procedure will not cause the deferred compensation to be treated as contingent upon net profits or net losses under sections 5.02(2) and 5.02(3) of this revenue procedure if the contract includes requirements that: (a) The compensation is payable at least annually; (b) The qualified user is subject to reasonable consequences for late payment, such as reasonable interest charges or late payment fees; and (c) The qualified user will pay such deferred compensation (with interest or late payment fees) no later than the end of five years after the original due date of the payment.

5.03 Term of the contract and revisions. The term of the contract, including all renewal options (as defined in §1.141-1 (b)), must not be greater than the lesser of 30 years or 80 percent of the weighted average reasonably expected economic life of the managed property. For this purpose, economic life is determined in the same manner as under §147(b) as of the beginning of the term of the contract. A contract that is materially modified with respect to any matters relevant to this section 5 is retested under this section 5 as a new contract as of the date of the material modification.

5.04 Control over use of the managed property. The qualified user must exercise a significant degree of control over the use of the managed property. This control requirement is met if the contract requires the qualified user to approve the annual budget of the managed property, capital expenditures with respect to the managed property, each disposition of property that is part of the managed property, rates charged for the use of the managed property, and the general nature and type of use of the managed property (for example, the type of services). For this purpose, for example, a qualified user may show approval of capital expenditures for a managed property by approving an annual budget for capital expenditures described by functional purpose and specific maximum amounts; and a qualified user may show approval of dispositions of property that is part of the managed property in a similar manner. Further, for example, a qualified user may show approval of rates charged for use of the managed property by expressly approving such rates or a general description of the methodology for setting such rates (such as a method that establishes hotel room rates using specified revenue goals based on comparable properties), or by requiring that the service provider charge rates that are reasonable and customary as specifically determined by, or negotiated with, an independent third party (such as a medical insurance company).

5.05 Risk of loss of the managed property. The qualified user must bear the risk of loss upon damage or destruction of the managed property (for example, due to force majeure). A qualified user does not fail to meet this risk of loss requirement as a result of insuring against risk of loss through a third party or imposing upon the service provider a penalty for failure to operate the managed property in accordance with the standards set forth in the management contract.

5.06 No inconsistent tax position. The service provider must agree that it is not entitled to and will not take any tax position that is inconsistent with being a service provider to the qualified user with respect to the managed property. For example, the service provider must agree not to claim any depreciation or amortization deduction, investment tax credit, or deduction for any payment as rent with respect to the managed property.

5.07 No circumstances substantially limiting exercise of rights.

(1) In general. The service provider must not have any role or relationship with the qualified user that, in effect, substantially limits the qualified user's ability to exercise its rights under the contract, based on all the facts and circumstances.

(2) Safe harbor. A service provider will not be treated as having a role or relationship prohibited under section 5.07(1) of this revenue procedure if: (a) No more than 20 percent of the voting power of the governing body of the qualified user is vested in the directors, officers, shareholders, partners, members, and employees of the service provider, in the aggregate; (b) The governing body of the qualified user does not include the chief executive officer of the service provider or the chairperson (or equivalent executive) of the service provider's governing body; and (c) The chief executive officer of the service provider is not the chief executive officer of the qualified user or any of the qualified user's related parties (as defined in §1.150-1(b)).

(3) For purposes of section 5.07(2) of this revenue procedure, the phrase "service provider" includes the service provider's related parties (as defined in §1.150-1(b)) and the phrase "chief executive officer" includes a person with equivalent management responsibilities.

5.08 Functionally related and subordinate use. A service provider's use of a project (as defined in §1.141-6(a)(3)) that is functionally related and subordinate to performance of its services under a management contract for managed property that meets the conditions of this section 5 does not result in private business use of that project. For example, use of storage areas to store equipment used to perform activities required under a management contract that meets the requirements of this section 5 does not result in private business use.

SECTION 6. EFFECT ON OTHER DOCUMENTS

Rev. Proc. 2016-44 is modified, amplified, and superseded.

SECTION 7. DATE OF APPLICABILITY

This revenue procedure applies to any management contract that is entered into on or after January 17, 2017, and an issuer may apply this revenue procedure to any management contract that was entered into before January 17, 2017. In addition, an issuer may apply the safe harbors in Rev. Proc. 97-13, as modified by Rev. Proc. 2001-39 and amplified by Notice 2014-67, to a management contract that is entered into before August 18, 2017 and that is not materially modified or extended on or after August 18, 2017 (other than pursuant to a renewal option as defined in § 1.141-1 (b)).

SECTION 8. DRAFTING INFORMATION

The principal authors of this revenue procedure are Johanna Som de Cerff and David White of the Office of Associate Chief Counsel (Financial Institutions & Products). For further information regarding this revenue procedure, contact David White on (202) 317-6980 (not a toll free call).

TAB II

**PRIVATE BUSINESS USE QUESTIONNAIRE
GOVERNMENTAL BONDS**

TO: [NAME]

[TITLE]

FROM: .

DATE: [CURRENT DATE]

RE: Use of Tax-Exempt Bond-Financed Property

In order to maintain the tax exempt status of bonds (including any short-term obligations such as notes) which have been issued to finance facilities or equipment for the benefit of _____ (the "Issuer"), the ownership and certain uses of the Bond-Financed Property must be monitored and recorded. In general, the ownership and use of the Bond-Financed Property must be monitored and recorded from the date of issue of the bonds until the earlier of the end of the expected life of the property, or the final maturity date of any bonds issued to finance the property. Because it is the Internal Revenue Service's position that records be maintained until 3 years after the final maturity date of any bonds issued to finance (or refinance) the property, staff will be asked to update these records for changes in the use or ownership of the property.

Attached is a schedule with a brief description of property financed with proceeds of tax exempt bonds. Our records indicate the property is located at [NAME OF FACILITY]. Please review your records and respond to each of the questions for the Bond-Financed Property listed, including both the present use of the property and any past uses of it. Please do not skip questions. If you are uncertain how to respond to a particular question please provide a brief explanation in the space immediately following the question. If necessary one of my staff members will contact you for clarification. Please refer to Tab I-A, Private Activity Restrictions on Private Business Use, of the Post-Issuance Compliance Guide, for a brief description of types of private use.

We recognize that some of the requested information and records may not be available. However, your cooperation is necessary in order to collect as much of this information as possible.

SCHEDULE

USE OF TAX EXEMPT BOND BOND-FINANCED PROPERTY

Description of property: [Description] (the “Bond-Financed Property”)

Location: [facility name]

Bond or Note Issue: [name of bonds or notes]

Survey Date: [current date]

PLEASE REVIEW APPENDIX A FOR APPLICABLE RULES ON PRIVATE USE

I. Familiarity with Uses

- 1.1 My familiarity with, and/or the records with respect to, the uses made of the Bond-Financed Property, dates back to _____ [insert date]
- 1.2 For information on uses of the Bond-Financed Property prior to the date set forth in Section 1.1, I suggest contacting _____.

II. Ownership and Use of the Bond-Financed Property.

- 2.1 When was the Bond-Financed Property placed in service? _____
- 2.2 Is the Bond-Financed Property still owned by the District? Yes No
- 2.3 If, no, on what day was the Bond-Financed Property disposed of? _____.
What were the terms of the disposition?
- 2.4 Is the Bond-Financed Property still in use? Yes No If No, please explain when it stopped being used and what its current state is.
- 2.5 Is the Bond-Financed Property still being used for its original purpose? Yes No If No, please explain how it is being used.

III. Leases of the Bond-Financed Property.

- 3.1 Has any portion of the Bond-Financed Property been leased to or been the subject of a possessory interest, such as a license in, any person? YES NO
- 3.2 If the answer to the preceding question is yes, describe the nature and the extent of all such interests, including the lease payments, and identify the persons or organizations to whom such interests have been given.

IV. Priority Rights.

- 4.1 Has any portion of the Bond-Financed Property been the subject of an arrangement with a person other than a Governmental Unit for priority use or for use of certain capacity of the Bond-Financed Property? YES NO
- 4.2 If the answer to the preceding question is Yes, describe the nature and the extent of all such interests, including any payments, and identify the persons or organizations to whom such interests have been given.
- 4.3 Has any portion of the Bond-Financed Property been used in the testing of products under a contract with a person other than a Governmental Unit? YES NO
- 4.4 If the answer to the preceding question is Yes, describe the nature and the extent of all such arrangements, and identify the persons or organizations with whom such arrangements have been entered into.

V. Naming Rights or Sponsorship Agreements.

- 5.1 Has any portion of the Bond-Financed Property been the subject of a contract or other arrangement with anyone pursuant to which the that person will make a payment to the District in return for the right to have its name or logo used in connection with the District or any portion thereof? YES NO If Yes, please provide details of the arrangement.

VI. Research.

- 6.1 Has any portion of the Bond-Financed Property been used in research sponsored by anyone other than a Governmental Unit? (Note that the federal government is not a Governmental Unit.) YES NO 6.2 If Yes, please describe the nature and the extent of all such arrangements, and identify the persons or organizations with whom such arrangements have been entered into. Please attach a copy of any contract or arrangement relating to such research.

VII. Management Agreements and Service Agreements.

- 7.1 Has any portion of the Bond-Financed Property been used in connection with any type of service contract or management contract described below?
- (a) A contract with a non-employee group, other than a Governmental Unit, to provide services to, or manage any function of, the District? YES NO If Yes, identify the person or organization that is a party to the contract and provide a copy of such contract with this questionnaire response.
- b) A contract with an employee to provide services to, or manage any function of, the District, where such contract contains an incentive compensation arrangement? YES NO If Yes, identify the person or organization

that is a party to the contract and provide a copy of such contract with this questionnaire response.

- (c) A contract with a person other than a Governmental Unit to provide services, such as food services to the District? YES NO If Yes, identify the person or organization that is a party to the contract and provide a copy of such contract with this questionnaire response.

VIII. Output Facilities.

- 8.1 Is any portion of the Bond-Financed Property an output type facility? YES NO
- 8.2 If the answer to the preceding question is Yes, has any of the output from those facilities been sold or been used to service facilities used in the trade or business of persons other than Governmental Units? YES NO

IX Joint Ventures.

- 9.1 Has any portion of the Bond-Financed Property been used in any joint venture arrangement with any person other than a Governmental Unit? YES NO If Yes, please provide details of the arrangement.

Date: _____

By: _____

Name: _____

Title: _____

TAB III

TAB III

REMEDIAL ACTIONS
GOVERNMENTAL BONDS

Introduction

The Internal Revenue Code of 1986, as amended (the “Code”) limits the amount of proceeds of tax-exempt governmental bonds (including short-term obligations such as notes) that can be used for the benefit of private businesses. Section 141 of the Code treats as a taxable private activity bond a bond issued as part of an issue that meets the private business use test and the private security or payment test, or the private loan test. The private business use test is met if the amount of proceeds of bonds that are used in a private business use is more than ten percent of total proceeds. The private security or payment test is met if the payment of debt service on more than 10 percent of the issue is directly or indirectly (i) secured by any interest in property used for a private business use or payments in respect of such property or (ii) derived from payments in respect of property or borrowed money used for a private business use. A five percent limit is used in lieu of a ten percent limit if the private use is unrelated to a governmental use or related but disproportionate to a governmental use. For purposes of Section 141, the term private business includes use by nonprofit, 501(c)(3) organizations as well as the federal government.

Deliberate Action

The Regulations promulgated by the Internal Revenue Service (“IRS”) under Section 141 of the Code, specifically provide that bonds will be treated as private activity bonds if the District takes a deliberate action subsequent to the issue date that causes the tests for a private activity bond to be met. An issuer cannot rely merely on its expectations on the date of issuance to avoid jeopardizing the status of its bonds as governmental bonds. A deliberate action is any action taken by an issuer, but not including an action, such as a condemnation, that would be treated as an involuntary or compulsory conversion under Section 1033 of the Code, or an action that is taken in response to a regulatory directive made by the federal government. A deliberate action is deemed to occur when the District enters into a binding contract with a nongovernmental person for use of the financed property that is not subject to any material contingencies. In most cases, material conditions to closing a transaction will be treated as material contingencies so that the date of deliberate action will be the date disposition proceeds are received.

Conditions to Remedial Action

Under the Regulations, in order to take a remedial action to preserve the tax-exempt status of interest on bonds, the following conditions must be met:

(1) *Reasonable expectations test.* The District must reasonably have expected on the issue date that neither the private business test nor the private loan test would be met. The period of time that has elapsed since the bonds were issued will be a factor in evaluating the reasonableness of expectations. Under certain conditions an expectation on the issue date to take a deliberate action that would cause one of the tests to be met (e.g., a sale of the project) will be disregarded if the District expected on the issue date that the financed property would be used for a qualified purpose for a substantial period before such action, the District is required to redeem

all nonqualifying bonds (without regard to the amount of disposition proceeds) within 6 months of the action, the redemption meets all the remedial action conditions (described below) and there was no arrangement on the date of issue with a nongovernmental person or a non-501 (c)(3) organization with respect to the activity;

(2) *Maturity not unreasonably long.* The term of the bond *issue* must not be longer than is reasonably necessary for the governmental purpose of the issue. This requirement is met under a safe harbor if the weighted average maturity of the bonds is not greater than 120 percent of the average reasonably expected economic life of the financed property as of the issue date.

(3) *Fair market value consideration.* The terms of any change in use or loan arrangement are bona fide and arms-length and the new user pays fair market value for the use of the financed property. For this purpose fair market value may take into account restrictions on the use of the financed property that serve a bona fide governmental purpose.

(4) *Disposition proceeds treated as gross proceeds for arbitrage purposes.* Any disposition proceeds must be treated as gross proceeds for arbitrage purposes. This will require that the District meet yield restriction or rebate requirements with respect to these funds. The District may treat the date of receipt of the proceeds as an issue date for purposes of eligibility for temporary periods and exemptions from rebate.

(5) *Proceeds expended on a governmental purpose.* Except where a redemption or defeasance remedial action is taken, the proceeds must have been expended on a governmental purposes before the date of the deliberate action.

Effect of Remedial Action

A remedial action is treated as curing a change in ownership or a private use or private loan of proceeds, thereby preserving the tax-exempt status of existing bonds. It does not cure a failure to meet the private payment or security interest limitation. In the case of advance refunding bonds, remedial action taken with respect to the refunding bonds proportionally reduces the amount of proceeds of the refunded bonds that is taken into account under the private business use or loan test. In other words, the remedial action taken with respect to the refunding bonds proportionally “cures” the refunded bonds.

Disposition Proceeds and Nonqualified Bonds Generally, in order to take one of the remedial actions it is necessary to know what the disposition proceeds are and how much of the disposition proceeds are allocated to particular issues. Disposition proceeds arise in a sale, exchange or other disposition of bond-financed property. Disposition proceeds do not arise, however, in an installment sale arrangement and the bond proceeds remain allocated to the transferred property in that case. This distinction becomes important when determining what remedial action is appropriate.

In the case of property financed from different sources of funding, the disposition proceeds are first allocated to the outstanding bonds (both taxable and tax-exempt) that financed the property in proportion to the principal amount of the outstanding bonds. Disposition proceeds may not be allocated to bonds that are no longer outstanding or to revenues if the disposition proceeds are not

greater than the total principal amount of the outstanding bonds allocable to that property. Only amounts in excess of that total may be allocated to another source.

Under the Regulations, the amount of nonqualified bonds that arise from a deliberate action is a percentage of the outstanding bonds equal to the highest percentage of private business use in any one-year period commencing with the deliberate action. Allocations to nonqualified bonds must be made on a pro-rata basis except that for purposes of the redemption or defeasance remedial action the District may treat bonds with longer maturities as the nonqualified bonds. This treatment would be necessary, for example, where the bonds are required to be called in inverse order of maturity rather than pro rata.

Permitted Remedial Actions

Redemptions or Defeasance

The first remedial action is redemption or defeasance which is available in the case of a deliberate action taking the form of a sale, lease or nonqualified management contract or other action. This remedial action probably will be the most frequently used remedial action in sale transactions. Under this remedial action, other than in the case of an exclusively cash disposition, all nonqualified bonds must be redeemed within 90 days of the deliberate action. Proceeds of tax-exempt bonds may not be used to effect the redemption unless they are proceeds of qualified private activity bonds (e.g., exempt facility bonds) taking into account the purchaser's use. If the bonds are not currently redeemable, a defeasance escrow must be established for all nonqualified bonds within 90 days of the deliberate action and notice of defeasance must be furnished to the Commissioner of Internal Revenue within 90 days of the escrow establishment. Defeasance is only available as a remedial action, however, if the period between the issue date and the first call date is not more than 10½ years. Thus, for example, if a bond-financed building is leased to a private for-profit entity, all tax-exempt bonds that financed that building would have to be redeemed or defeased within 90 days of entering into that lease.

In the case of a disposition, a sale, exclusively for cash, if the disposition proceeds are less than the amount of the nonqualified bonds, only an amount equal to the disposition proceeds must be used to redeem or defease a pro rata portion of the nonqualified bonds.

Anticipatory Remedial Action

An amendment to the Regulations in October 2015 permits a redemption or defeasance remedial action to be taken in advance of a deliberate action that will cause the private activity limits to be exceeded. To meet this new remedial action rule, an issuer must declare its official intent to redeem or defease all the bonds that would become nonqualified bonds as a result of a subsequent deliberate action and redeem or defease such bonds prior to the action occurring. The declaration of intent must precede the redemption or defeasance, identify the financed property with respect to which the remedial action is being undertaken and describe the deliberate action that is expected to occur. The redemption or defeasance of the nonqualified bonds must not result in an extension of the weighted average maturity of the bonds, subject to a limited transition rule.

Alternative Use of Disposition Proceeds

In the case of a disposition exclusively for cash, the District may, in lieu of redeeming or defeasing bonds, expend the disposition proceeds on other qualifying facilities. The District must reasonably expect to expend the disposition proceeds within two years of the deliberate action and must treat the disposition proceeds as bond proceeds for purposes of Section 141. The District must not use such proceeds in a manner that would cause the private business tests or the private loan test to be met. Furthermore the District must not take any action subsequent to the date of deliberate action to cause either of these tests to be met. This requirement precludes the District from repeatedly taking advantage of the remedial action provisions with respect to the same bond issue. If the District does not use all of the disposition proceeds for an alternative use it must use the remaining proceeds to redeem or defease bonds as described above.

In the case of certain long-term leases, as opposed to dispositions for cash, Revenue Procedure 2018-26, released April 11, 2018, provides a methodology for using the Alternative Use of Disposition Proceeds remedial action instead of the Redemption or Defeasance remedial action. The lease must be an “eligible lease”, the payments under which are exclusively cash and the term of which (i) is at least equal to the lesser of 20 years or 75% of the weighted average expected economic life at the start of the lease or (ii) runs through the end of the measurement period, generally the final maturity of the bonds or the end of the economic life of the property. An amount equal to the “lease amount” must be expended on qualifying facilities as described above. The “lease amount” is the present value of all the lease payments under the lease using the bond yield as the discount rate.

If the disposition proceeds are to be used by a 501(c)(3) organization, the nonqualified bonds must, in addition, be treated as reissued and must, beginning on the date of the deliberate action, meet all the requirements for qualified 501(c)(3) bonds. For example, this requires that a TEFRA hearing be held and approval obtained with respect to the new uses of proceeds before the date of the deliberate action.

Alternative Use of Facility

The third remedial action, alternative use of a facility, permits the bonds to remain outstanding if the facility is now used for a qualifying purpose and the nonqualified bonds are treated as reissued as of the date of deliberate action as qualified bonds, e.g., qualified 501(c)(3) bonds or qualified exempt facility bonds. The nonqualified bonds must satisfy all the requirements for that particular type of issue from the date of deliberate action, including the volume cap limitation of Section 146 of the Code, if applicable. The Regulations specifically provide, however, that the used property limitation of Section 147 will not apply. In the case of exempt facility bonds, and other non-501(c)(3) qualified bonds, the interest will be treated *as* a preference item for alternative minimum tax (“AMT”) purposes (see discussion below). This remedial action is not available if the deliberate action involves a disposition to a purchaser who finances the purchase with tax-exempt bonds.

The Regulations provide that any disposition proceeds, including proceeds from an installment sale, must be used to pay debt service on the bonds on the next available payment date or within 90 days of receipt, be deposited into a defeasance escrow, yield restricted and used to pay debt

service on the bonds on the next available payment date. The Regulations do not address under this remedial action alternative how to deal with the change in status of interest from non-AMT to AMT. This is addressed, however, in *Rev. Proc. 97-15*, discussed below.

Rev. Proc. 97-15

Rev. Proc. 97-15 provides a program under which an issuer may request a closing agreement as a remedial action to prevent interest on outstanding bonds from being included in gross income or to prevent interest from being treated as an item of tax preference for AMT purposes as a result of a subsequent action. Closing agreements under this program will not resolve any other issue, nor will they preclude an examination by the IRS of any matters not addressed in the closing agreement. These closing agreements are not available with respect to an issue of outstanding bonds that is under examination by the IRS.

Closing Agreement as to Exclusion from Gross Income A number of procedural and substantive conditions to obtaining a closing agreement are set forth in Rev. Proc. 97-15. In addition, in the case of a closing agreement that provides that interest will not be included in gross income, the District must agree to redeem the outstanding bonds at the next redemption date. The District also must pay a closing agreement amount equal to the sum of the present value amounts determined by multiplying the amount of interest accruing on the nonqualified bonds in each year by .29 and present valuing each such number from April 15 of the year after the interest accrues to the date on which the payment is sent to the IRS, using as the discount rate the taxable applicable federal rate for a term equal to the period from the subsequent action to the redemption date. It is expected that the figure of .29 may be adjusted for years after 2018 to reflect the reduction in income tax rates.

Alternative Minimum Tax Closing Agreement In the case of a closing agreement that provides that the interest will not be treated as an item of tax preference, among other conditions, the District must pay an amount equal to the sum of certain present value amounts. These amounts are determined by multiplying the principal amount of the nonqualified bonds that will be outstanding on January 1 in each calendar year beginning in the year of the subsequent action and ending the first calendar year in which the bonds will no longer be outstanding, by .0014 and present valuing each such number from April 15 of the year following each such calendar year to the date of payment to the IRS, using the applicable federal rate for the period specified in the closing agreement as the discount rate.

VCAP

The IRS has adopted procedures for its Voluntary Closing Agreement Program (“VCAP”) under which issuers of tax exempt bonds can voluntarily resolve violations of the Code or Regulations on behalf of their bondholders or themselves through closing agreements with the IRS. These procedures are set forth in Internal Revenue Manual 7.2.3.1. If a deliberate action has occurred that cannot be remedied with a remedial action, a VCAP should be considered.

TAB IV

TAB IV

INTERNAL REVENUE SERVICE – TAX EXEMPT BONDS

TAX EXEMPT BOND FAQs REGARDING RECORD RETENTION REQUIREMENTS

During the course of an examination, IRS Tax Exempt Bonds (TEB) agents will request all material records and information necessary to support a municipal bond issue's compliance with section 103 of the Internal Revenue Code. The following information is intended solely to answer frequently asked questions concerning how the broad record retention requirements under section 6001 of the Code apply to tax-exempt bond transactions. Although this document provides information with respect to many of the concerns raised by members of the municipal finance industry about record retention, it is not to be cited as an authoritative source on these requirements. TEB recommends that issuers and other parties to tax-exempt bond transactions review section 6001 of the Code and the corresponding Income Tax Regulations in consultation with their counsel.

These frequently asked questions and answers are provided for general information only and should not be cited as any type of legal authority. They are designed to provide the user with information required to respond to general inquiries. Due to the uniqueness and complexities of Federal tax law, it is imperative to ensure a full understanding of the specific question presented, and to perform the requisite research to ensure a correct response is provided.

The freely available Adobe Acrobat Reader software is required to view, print, and search the questions and answers listed below.

1. Why keep records with respect to tax-exempt bond transactions?
2. Who may maintain records?
3. What are the basic records that should be retained?
4. Are these the only records that need to be maintained?
5. In what format must the records be kept?
6. How long should records be kept?
7. How does this general rule apply to refundings?
8. What happens if records aren't maintained?
9. Can a failure to properly maintain records be corrected?
10. Are there exceptions to the general rule regarding record retention for certain types of records?

Why keep records with respect to tax-exempt bond transactions?

Section 6001 of the Internal Revenue Code provides the general rule for the proper retention of records for federal tax purposes. Under this provision, every person liable for any tax imposed by the Code, or for the collection thereof, must keep such records, render such statements, make such returns, and comply with such rules and regulations as the Secretary may from time to time prescribe. Section 1.6001-1(a) of the Income Tax Regulations amplifies this general rule by providing that any person subject to income tax, or any person required to file a return of information with respect to income, must keep such books and records, including inventories, as are sufficient to establish the amount of gross income, deductions, credits, or other matters required to be shown by that person in any return of such tax or information.

The IRS regularly advises taxpayers to maintain sufficient records to support their tax deductions, credits and exclusions. In the case of a tax-exempt bond transaction, the primary taxpayers are the beneficial holders of the bonds. However, in most cases, the beneficial holders of tax-exempt bonds will not have any records to support their exclusion of the interest paid on those bonds. Instead, these records will generally be found in the bond transcript and the books and records of the District, the conduit borrower, and other participants to the transaction. Therefore, in order to ensure the continued exclusion of interest by the beneficial holders, it is important that the District, the conduit borrower and other participants retain sufficient records to support the continued exclusion being taken by the beneficial holders of the bonds. Pursuant to this statutory regime, IRS agents conducting examinations of tax-exempt bond transactions will look to these parties to provide books, records, and other information documents supporting the bonds continued compliance with federal tax requirements.

Additionally, in the case of many private activity bonds, the conduit borrowers are also primary taxpayers. For instance, the conduit borrower will generally deduct the interest indirectly paid on the bond issue through the loan documents. Conduit borrowers are also often entitled to claim depreciation deductions for bond-financed property. Consequently, conduit borrowers should maintain sufficient records to support their interest deductions, depreciation deductions or other tax deductions, exclusions or credits related to the tax-exempt bond issue.

Moreover, issuers and conduit borrowers should retain sufficient records to show that all tax-exempt bond related returns submitted to the IRS are correct. Such returns include, for example, IRS Forms 8038, 8038-G, 8038-GC, 8038-T, and 8038-R.

In addition to the general rules under section 6001, issuers and conduit borrowers are subject to specific recordkeeping requirements imposed by various other Code sections and regulations. For example, section 1.148-5(d)(6)(iii)(E) of the arbitrage regulations requires that an issuer retain certain records necessary to qualify for the safe harbor for establishing fair market value for guaranteed investment contracts and investments purchased for a yield restricted defeasance escrow.

Who may maintain records?

Read together, section 6001 of the Code and section 1.6001-1(a) of the Regulations apply to taxpayers and persons filing tax returns, including returns related to tax-exempt bond transactions

(i.e., Forms 8038, 8038-G, 8038-GC, 8038-T, 8038-R, 8328, 8703). This encompasses several parties to the bond transaction including:

1. issuers as the party responsible for satisfying the filing requirements under section 149(e) of the Code;
2. conduit borrowers for deductions taken for payment of interest on outstanding bonds or depreciation of bond-financed facilities; and
3. bondholders, lenders, and lessors as recipients of exempt income from the interest paid on the bonds.

Since many of the same records may be examined to verify, for example, both the tax-exempt status of the bonds and the interest deductions of the conduit borrower, it is advisable for the bond documents to specify which party will bear the responsibility for maintaining the basic records relating to a bond transaction. Additional parties may also be responsible for maintaining records under contract with any of the parties named above. For example, a trustee may agree to maintain certain records pursuant to the trust indenture.

What are the basic records that should be retained?

Although the required records to be retained depend on the transaction and the requirements imposed by the Code and the regulations, records common to most tax-exempt bond transactions include:

Basic records relating to the bond transaction (including the trust indenture, loan agreements, and bond counsel opinion);

Documentation evidencing expenditure of bond proceeds;

Documentation evidencing use of bond-financed property by public and private sources (i.e., copies of management contracts and research agreements);

Documentation evidencing all sources of payment or security for the bonds; and
Documentation pertaining to any investment of bond proceeds (including the purchase and sale of securities, SLGs subscriptions, yield calculations for each class of investments, actual investment income received the investment of proceeds, guaranteed investment contracts, and rebate calculations).

Are these the only records that need to be maintained?

No, the list above is very general and only highlights the basic records that are typically material to many types of tax-exempt bond financings. Each transaction is unique and may, accordingly, have other records that are material to the requirements applicable to that financing. The decision as to whether any particular record is material must be made on a case-by-case basis and could take into account a number of factors, including, for instance, the various expenditure exceptions. Moreover, certain records may be necessary to support information related to certain requirements applicable to specific types of qualified private activity bonds. With respect to single and

multifamily housing bonds as well as small issue industrial development bonds, examples of such additional material records include:

Single Family Housing Bonds	Documents evidencing that at least 20% of proceeds were available for owner financing of targeted area residences. Documentation evidencing proper notification of each mortgagor of potential liability of the mortgage subsidy recapture tax.
Multi-Family Housing Bonds	Documentation evidencing that the facility is not used on a transient basis. Documentation evidencing compliance with the income set-aside requirements. Documentation evidencing timely correction, if any, of noncompliance with the income set-aside requirements.
Small Issue Industrial Development Bonds	Documentation evidencing compliance with the \$10,000,000 limitation on the aggregate face amount of the issue. Documentation evidencing that no test-period beneficiary has been allocated more than \$40,000,000 in bond proceeds.

In what format must the records be kept?

All records should be kept in a manner that ensures their complete access to the IRS for so long as they are material. While this is typically accomplished through the maintenance of hard copies, taxpayers may keep their records in an electronic format if certain requirements are satisfied.

Rev. Proc. 97-22, 1997-1 C.B. 652 provides guidance to taxpayers that maintain books and records by using an electronic storage system that either images their hardcopy (paper) books and records, or transfers their computerized books and records, to an electronic storage media. Such a system may also include reasonable data compression or formatting technologies so long as the requirements of the revenue procedure are satisfied. The general requirements for an electronic storage system of taxpayer records are provided in section 4.01 of Rev. Proc. 97-22. A summary of these requirements is as follows:

1. The system must ensure an accurate and complete transfer of the hardcopy books and records to the electronic storage system and contain a retrieval system that indexes, stores, preserves, retrieves, and reproduces all transferred information.
2. The system must include reasonable controls and quality assurance programs that (a) ensure the integrity, accuracy, and reliability of the system; (b) prevent and detect the unauthorized creation of, addition to, alteration of, deletion of, or deterioration of electronically stored books and records; (c) institute regular

inspections and evaluations; and (d) reproduce hardcopies of electronically stored books and records that exhibit a high degree of legibility and readability.

3. The information maintained in the system must be cross-referenced with the taxpayer's books and records in a manner that provides an audit trail to the source document(s).
4. The taxpayer must maintain, and provide to the Service upon request, a complete description of the electronic storage system including all procedures relating to its use and the indexing system.
5. During an examination, the taxpayer must retrieve and reproduce hardcopies of all electronically stored books and records requested by the Service and provide the Service with the resources necessary to locate, retrieve, read and reproduce any electronically stored books and records.
6. The system must not be subject, in whole or in part, to any agreement that would limit the Service's access to and use of the system.
7. The taxpayer must retain electronically stored books and records so long as their contents may become material in the administration of federal tax law.

How long should records be kept?

Section 1.6001-1(e) of the Regulations provides that records should be retained for so long as the contents thereof are material in the administration of any internal revenue law. With respect to a tax-exempt bond transaction, the information contained in certain records support the exclusion from gross income taken at the bondholder level for both past and future tax years. Therefore, as long as the bondholders are excluding from gross income the interest received on account of their ownership of the tax-exempt bonds, certain bond records will be material. Similarly, in a conduit financing, the information contained in the bond records is necessary to support the interest deduction taken by the conduit borrower for both past and future tax years for its payment of interest on the bonds.

To support these tax positions, material records should generally be kept for as long as the bonds are outstanding, plus 3 years after the final redemption date of the bonds. This rule is consistent with the specific record retention requirements under section 1.148-5(d)(6)(iii)(E) of the arbitrage regulations.

Certain federal, state, or local record retention requirements may also apply.

How does this general rule apply to refundings?

For certain federal tax purposes, a refunding bond issue is treated as replacing the original new money issue. To this end, the tax-exempt status of a refunding issue is dependent upon the tax-exempt status of the refunded bonds. Thus, certain material records relating to the original new money issue and all material records relating to the refunding issue should be maintained until 3 years after the final redemption of both bond issues.

What happens if records aren't maintained?

During the course of an examination, TEB agents will request material records and information in order to determine whether a tax-exempt bond transaction meets the requirements of the Code and regulations. If these records have not been maintained, then the District, conduit borrower or other party may have difficulty demonstrating compliance with all federal tax law requirements applicable to that transaction. A determination of noncompliance by the IRS with respect to a bond issue can have various outcomes, including a determination that the interest paid on the bonds should be treated as taxable, that additional arbitrage rebate may be owed, or that the conduit borrower is not entitled to certain deductions.

Additionally, a conduit borrower who fails to keep adequate records may also be subject to an accuracy-related penalty under section 6662 of the Code on the underpayment of tax attributable to any denied deductions. Section 6662 of the Code imposes a penalty on any portion of an underpayment of tax required to be shown on a return that is attributable to one of several factors, including negligence or disregard of rules or regulations. Section 1.6662-3(b)(1) of the Regulations provides that negligence includes any failure by the taxpayer to keep adequate books and records or to substantiate items properly. Under section 6662(a) of the Code, the penalty is equal to 20 percent of the portion of the underpayment of tax attributable to the negligence. Section 6664(c)(1) provides an exception to the imposition of accuracy-related penalties if the taxpayer shows that there was reasonable cause for the underpayment and that the taxpayer acted in good faith.

Can a failure to properly maintain records be corrected?

Yes, a failure to properly maintain records can be corrected through the Tax Exempt Bonds Voluntary Closing Agreement Program (TEB VCAP). This program provides an opportunity for state and local government issuers, conduit borrowers, and other parties to a tax-exempt bond transaction to voluntarily come forward to resolve specific matters through closing agreements with the IRS. For example, the TEB Office of Outreach, Planning & Review has resolved arbitrage rebate concerns in cases where issuers have approached the IRS and reported a failure to retain sufficient records to determine, precisely, the correct amount of arbitrage rebate due on a bond issue. Notice 2001-60, 2001-40 I.R.B. 304 provides more information about this program including the procedures for submitting a VCAP request.

Are there exceptions to the general rule regarding record retention for certain types of records?

No, but TEB encourages members of the municipal finance industry to submit comments and suggestions for developing record retention limitation programs for specific types of bond records, for specific classes of tax-exempt bond issues, or for specific segments of the bond industry. Comments can be submitted in writing to TEB and sent to the following address:

Internal Revenue Service (TE/GE)
Attention: Clifford J. Gannett, Director, TEB
T:GE:TEB, Rm. 583
1111 Constitution Ave., NW
Washington, DC 20224

You may also contact TEB by calling 202-283-2999 (not a toll-free call).

TAB V

TAB V

ARBITRAGE LETTER OF INSTRUCTIONS

1. Definitions.

Capitalized terms not otherwise defined herein will have meanings given to them in sections 103, 141, 148, 149 and 150 of the Code and the Treasury Regulations promulgated thereunder.

“Available Construction Proceeds” means, in general, an amount equal to the sum of (a) the issue price (within the meaning of sections 1273 and 1274 of the Code but without regard to accrued interest) of the Construction Issue, (b) investment earnings on a Reasonably Required Reserve or Replacement Fund allocable to the Construction Issue prior to the earlier of 2 years after the date of issue of the Obligations and the date that construction is substantially completed, and (c) the investment earnings on amounts described in (a) and (b), reduced by (i) the amount of the issue price deposited in a Reasonably Required Reserve or Replacement Fund and (ii) the amount of the issue price used to pay issuance costs. Available Construction Proceeds does not include (a) Sale Proceeds or Investment Proceeds derived from Payments under any Purpose Investment of the Construction Issue, (b) repayments of any Grants financed by the issue, (c) investment earnings on accrued interest, (d) amounts that are not Gross Proceeds as a result of the application of the Universal Cap under Treasury Regulations section 1.148-6(b)(2) and (e), if the District has elected in its Tax Certificate, earnings with respect to any portion of a Reasonably Required Reserve or Replacement Fund allocable to the Construction Issue. For purposes of determining compliance with the spending requirements as of the end of each of the first three spending periods, Available Construction Proceeds includes the amount of future earnings that the District reasonably expected as of the date of issue of the Obligations.

“Bid Records” means: (i) a copy of the Guaranteed Investment Contract actually acquired or, in the case of Yield Restricted Defeasance Escrow Investments, a copy of the purchase agreement or confirmations for the investments; (ii) the receipt or other record of the amount actually paid by the District for the investments, including a record of any administrative costs paid by the District, and the certification of the provider as to administrative costs; (iii) either a written copy of each bid received or a written certification from the party receiving the bids which lists for each bid that is submitted, the name of the person and entity submitting the bid, the time and date of the bid, and the bid results; (iv) the bid solicitation form and, if the terms of the Guaranteed Investment Contract or purchase agreement deviated from the bid solicitation form or a submitted bid is modified, a brief statement explaining the deviation and stating the purpose for the deviation; and (v) in the case of Yield Restricted Defeasance Escrow Investments, a schedule showing the cost of the most efficient portfolio of SLGS, determined at the time the bids were required to be submitted pursuant to the terms of the bid specifications.

“Bona Fide Debt Service Fund” means a bona fide debt service fund as defined in Treasury Regulations section 1.148-1, *i.e.*, one or more funds (including portions of funds, to the extent that amounts deposited therein are reasonably expected to be used to pay debt service on an issue of bonds) that are used primarily to achieve a proper matching of revenues and debt service within each Bond Year and that is depleted at least once a year except for a reasonable carryover amount

(not to exceed the greater of (i) the earnings on the fund for the immediately preceding Bond Year or (ii) one-twelfth the principal and interest payments on the issue for the immediately preceding Bond Year).

“Bona Fide Solicitation” means a solicitation that meets all of the following requirements: (i) the bid specifications are in writing and are timely forwarded to potential providers; (ii) the bid specifications include all material terms of the bid, *i.e.*, all terms that may directly or indirectly affect the yield of the investment; (iii) the bid specifications include a statement notifying potential providers that submission of a bid is a representation that the potential provider did not consult with any other potential provider about its bid, that the bid was determined without regard to any other formal or informal agreement that the potential provider has with the District or any other person (whether or not in connection with the Bond issue), and that the bid is not being submitted solely as a courtesy to the District or any other person for purposes of satisfying the requirements that there be at least three bids from persons with no Material Financial Interest, at least one of whom is a reasonably competitive provider; (iv) all the terms of the bid specifications are commercially reasonable in that there is a legitimate business purpose for the term other than to increase the purchase price or reduce the yield of the investment; (v) in the case of a Guaranteed Investment Contract, the terms of the solicitation take into account the District’s reasonably expected deposit and drawdown schedule for the amounts to be invested; (vi) all potential providers have an equal opportunity to bid and no potential provider is given the opportunity to review other bids before providing a bid; and (vii) at least three reasonably competitive providers are solicited for bids.

“Bond Year” means, in connection with the calculation of the Rebate Amount, each 1-year period (or shorter period from the date of issue) that ends at the close of business on the day in the calendar year that is selected by the District. If no day is selected by the District before the earlier of the final maturity date of the Obligations or the date that is 5 years after the issue date of the Obligations, each Bond Year ends at the close of business on the day preceding the anniversary of the date of issuance of the Obligations.

“Capital Expenditure” means any cost of a type that is properly chargeable to a capital account (or would be so chargeable with a proper election or with the application of the definition of Placed in Service under Treasury Regulations section 1.150-2(c)) under general federal income tax principles.

“Code” means the Internal Revenue Code of 1986, as amended.

“Commingled Fund” means any fund or account containing both Gross Proceeds of an issue and amounts in excess of \$25,000 that are not Gross Proceeds of that issue if the amounts in the fund or account are invested and accounted for collectively, without regard to the source of funds deposited in the fund or account. An open-end regulated investment company under section 851 of the Code, however, is not a Commingled Fund.

“Computational Base” means (i) for a Guaranteed Investment Contract, the amount of Gross Proceeds the District reasonably expects, as of the date the Guaranteed Investment Contract is acquired, to be deposited in the Guaranteed Investment Contract over the term of the Guaranteed Investment Contract; and (ii) for investments (other than Guaranteed Investment Contracts) to be

deposited in a Yield Restricted Defeasance Escrow, the amount of Gross Proceeds initially invested in those investments.

“Computation Period” means the period between the computation dates described in Section 4(b) hereof. The first begins on the Issue Date of the Obligations and ends on the initial rebate Computation Date. Each succeeding Computation Period begins on the date immediately following the preceding rebate Computation Date and ends on the next rebate Computation Date.

“Construction Expenditures” mean construction expenditures as defined in Treasury Regulations section 1.148-7(g), i.e., Capital Expenditures that are allocable to the cost of real property or “constructed personal property.” In general, Construction Expenditures do not include expenditures for acquisitions of interests in land or other existing real property. Expenditures are not considered to be for the acquisition of an interest in existing real property, other than land, if the contract between the seller and the District requires the seller to build or install the property, but only to the extent that the property has not been built or installed at the time the parties enter into the contract. Constructed personal property means tangible personal property (or, if acquired pursuant to a single acquisition contract, properties) or “specially developed computer software” if: (a) a substantial portion of the property or properties is completed more than 6 months after the earlier of the date construction or rehabilitation commenced and the date the District entered into an acquisition contract; (b) based on the reasonable expectations of the District, if any, or representations of the person constructing the property, with the exercise of due diligence, completion of construction or rehabilitation (and delivery to the District) could not have occurred within that 6-month period; and (c) if the District itself builds or rehabilitates the property, not more than 75 percent of the capitalizable cost is attributable to property acquired by the District. Specially developed computer software means any programs or routines used to cause a computer to perform a desired task or set of tasks, and the documentation required to describe and maintain those programs, provided that the software is specially developed and is functionally related and subordinate to real property or other constructed personal property.

“Construction Issue” means, the portion (if any) of the Obligations determined to be a Construction Issue for purposes of the section 148(f)(4)(C) of the Code, Treasury Regulations section 1.148-7(e) and Section 4 hereof. With respect to any issue refunded by the Obligations, or which is a part of a series of issues refunded by the Obligations, “Construction Issue” means the portion (if any) of the original obligations issued to finance an expenditure (the “original obligations”) determined in the Tax Certificate with respect to original obligations to be a “Construction Issue” for purposes of the section 148(f)(4)(C) of the Code and Treasury Regulations section 1.148-7(e).

“Controlled Group” means a group of entities controlled directly or indirectly by the same entity or group of entities. The determination of direct control is made on the basis of all the relevant facts and circumstances. One entity or group of entities generally controls another entity or group of entities if (i) the controlling entity possesses either (A) the right or power both to approve and to remove without cause a controlling portion of the governing body of the controlled entity, or (B) the right or power to require the use of funds or assets of the controlled entity for any purpose of the controlling entity; and (ii) the rights or powers are discretionary and non-ministerial. If a controlling entity controls another entity under this test the controlling entity also controls all entities controlled, directly or indirectly, by the controlled entity or entities. However, an entity is

not controlled by another entity if the putative controlled entity possesses substantial taxing, eminent domain, and police powers.

“De Minimis Amount” means: (i) in reference to original issue discount (as defined in section 1273(a)(1) of the Code) or premium on an obligation, an amount that does not exceed 2 percent multiplied by the stated redemption price at maturity; plus any original issue premium that is attributable exclusively to reasonable underwriter’s compensation; and (ii) in reference to market discount (as defined in section 1278(a)(2)(A) of the Code) or premium on an obligation, an amount that does not exceed 2 percent multiplied by the stated redemption price at maturity.

“Fair Market Value” shall have the meaning set forth in Section 3(d) hereof. “501(c)(3) Organization” means an organization that is described in section 501(c)(3) of the Code and is exempt from tax under section 501(a) of the Code.

“Fixed Rate Investment” means any investment whose yield is fixed and determinable on the issue date of the investment.

“Future Value” means such term as defined in Treasury Regulations section 1.148-3(c) or successor regulations applicable to the Obligations calculated based on the yield of the Obligations.

“Guaranteed Investment Contract” means, in general, any Nonpurpose Investment that has specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate and includes any agreement to supply investments on two or more future dates (e.g., a forward supply contract), debt service fund forward agreements and debt service reserve fund agreements (e.g., agreements to deliver United States Treasury Obligations). The term “Guaranteed Investment Contract” does not include investments purchased for a yield restricted defeasance escrow, other than escrow float contracts and similar agreements which provide securities for the period of 90 days or less following the maturity of defeasance escrow securities.

“Governmental Unit” means a governmental unit within the meaning of section 150(a)(2) of the Code (*i.e.*, any state or division of a state with a substantial amount of sovereign powers) or instrumentality of a state or political subdivision thereof. The term Governmental Unit does not include the United States or any agency or instrumentality of the United States.

“Grant” means a grant as defined in Treasury Regulations section 1.148-6(d)(4)(iii), *i.e.*, a transfer for a governmental purpose of money or property to a transferee that is not a Related Party to, or an agent of, the transferor. The transfer must not impose any obligation or condition (directly or indirectly) to repay any amount to the transferor. Obligations or conditions intended solely to assure expenditure of the transferred moneys in accordance with the governmental purpose of the transfer do not prevent a transfer from being a Grant.

“Gross Proceeds” means, except as otherwise indicated, gross proceeds as defined in Treasury Regulations section 1.148-1, *i.e.*, any Proceeds and Replacement Proceeds of an issue.

“Investment Proceeds” means investment proceeds as defined in Treasury Regulations section 1.148-1, *i.e.*, any amounts actually or constructively received from investing Proceeds of the Obligations.

“Investment Property” means any investment which is: (i) a “security” (as defined in section 165(g)(2)(A) or (B) of the Code), *i.e.*, a share of stock in a corporation or a right to subscribe for or to receive a share of stock in a corporation; (ii) an obligation other than a Tax-exempt Bond, unless such obligation is a “specified private activity bond” within the meaning of section 57(a)(5)(C) of the Code (*i.e.*, a Tax-exempt Bond other than an obligation the interest on which is subject to the alternative minimum tax imposed on individuals and corporations); (iii) any “annuity contract” (as defined in section 72 of the Code); (iv) any “investment-type property” (within the meaning of Treasury Regulations section 1.148-1(b)), *i.e.*, any property (other than property described in (i), (ii), (iii) or (v)) that is held principally as a passive vehicle for the production of income, including for this purpose, production of income includes any benefit based on the time value of money; or (v) any residential rental property for family units not located within the jurisdiction of the District unless such property is acquired to implement a court ordered or approved housing desegregation plan. A prepayment for property or services is “investment-type property” if a principal purpose for prepaying is to receive an investment return from the time the prepayment is made until the time payment otherwise would be made. However, a prepayment will not be treated as “investment-type property” if it is made for a substantial business purpose other than investment return and (i) the prepayment is on substantially the same terms as are made by a substantial percentage of persons who are similarly situated but who are not beneficiaries of tax exempt financing, (ii) the prepayment is made within 90 days of the reasonably expected date of delivery to the District of all of the property or services for which the prepayment is made, (iii) the prepayment is made for maintenance, repair, or an extended warranty with respect to personal property (for example, automobiles or electronic equipment); or updates or maintenance or support services with respect to computer software; and the same maintenance, repair, extended warranty, updates or maintenance or support services, as applicable, are regularly provided to nongovernmental persons on the same terms or (iv) the prepayment is made to acquire a supply of natural gas or electricity within the meaning of Treasury Regulation section 1.148-1(e)(2)(iii).

“Issuer” means Esplanade at Wellen Park Community Development District.

“Lowest Cost Bona Fide Bid” means, in the case of Yield Restricted Defeasance Escrow Investments, either the lowest cost bid for the portfolio or, if the District compares bids on an investment by investment basis, the aggregate cost of a portfolio comprised of the lowest cost bid for each investment. Any payment received by the District from a provider at the time a Guaranteed Investment Contract (*e.g.*, an escrow float contract) is purchased for a Yield Restricted Defeasance Escrow under a bidding procedure that meets the requirements of clause (iv) of the definition of Bona Fide Solicitation is taken into account in determining the lowest cost bid. The Lowest Cost Bona Fide Bid must not be greater than the cost of the most efficient portfolio comprised exclusively of SLGS determined at the time that bids are required to be submitted pursuant to the terms of the bid specifications. This cost comparison is not required to be made if SLGS are not available for purchase on the day the bids are required to be submitted because sales of those securities have been suspended.

“Material Financial Interest” shall have the meaning set forth in Section 3(d)(v) hereof.

“Minor Portion” means, in general, a minor portion as defined in section 148(e) of the Code and Treasury Regulation section 1.148-2(g), *i.e.*, the lesser of 5 percent of the Sale Proceeds of the Obligations or \$100,000.

“Net Sale Proceeds” means Sale Proceeds, less the portion of the Sale Proceeds invested in a Reasonably Required Reserve or Replacement Fund under section 148(d) of the Code and as part of the Minor Portion.

“New Money Portion” means the portion of an issue that is not a Refunding Issue.

“Nonconstruction Issue” means the Gross Proceeds of the Obligations other than the portion of Gross Proceeds of the Obligations meeting the requirements of section 148(f)(4)(C) of the Code, Treasury Regulations section 1.148-7(e) and Section 4 hereof as a Construction Issue.

“Nonpurpose Investment” means an investment allocated to Gross Proceeds of the Obligations that is not acquired to carry out the governmental purpose of an issue, i.e., all Investment Property acquired or otherwise allocated to Gross Proceeds of the Obligations.

“Obligations” means any tax-exempt bonds or notes of the District.

“Opinion of Counsel” means, an opinion of nationally recognized bond counsel experienced in matters relating to the exclusion of interest on state and local governmental obligations from gross income for purposes of federal income taxation.

“Payment” means, in general, a payment as defined in Treasury Regulations section 1.148-5(b), i.e., amounts to be actually or constructively paid to acquire the investment. For purposes of calculating the Rebate Amount under Section 4 hereof “payment” means a payment as defined in Treasury Regulations section 1.148-3(d), i.e., (i) amounts actually or constructively paid to acquire a Nonpurpose Investment (or treated as paid to a Commingled Fund); (ii) for a Nonpurpose Investment that is first allocated to an issue on a date after it is actually acquired (e.g., an investment that becomes allocable to Transferred Proceeds or to Replacement Proceeds) or that becomes subject to the rebate requirement on a date after it is actually acquired (e.g., an investment allocated to a Reasonably Required Reserve or Replacement Fund for a construction issue at the end of the 2-year spending period), the value of that investment on that date; (iii) for a Nonpurpose Investment that was allocated to an issue at the end of the preceding computation period, the value of that investment at the beginning of the computation period; (iv) on the last day of each Bond Year during which there are amounts allocated to Gross Proceeds of the Obligations that are subject to the rebate requirement, and on the final maturity date of the Obligations, a computation credit in the amount provided under Treasury Regulation section 1.148-3(d)(1)(iv); and (v) Yield Reduction Payments on Nonpurpose Investments made pursuant to Treasury Regulations section 1.148-5(c).

“Placed in Service” means placed in service as defined in Treasury Regulations section 1.150-2(c), i.e., with respect to a facility, the date on which, based on all the facts and circumstances the facility has reached a degree of completion that would permit its operation at substantially its design level, and the facility is, in fact, in operation at such level.

“Plain Par Bond” means a qualified tender obligation or an obligation (i) that is issued with not more than a De Minimis Amount of original issue discount or premium; (ii) that is issued for a price that does not include accrued interest other than pre-issuance accrued interest; (iii) that bears interest from the issue date at a single, stated, fixed rate or that is a variable rate debt instrument under section 1275 of the Code, in each case with interest unconditionally payable at

least annually; and (iv) that has a lowest stated redemption price that is not less than its outstanding stated principal amount.

“Plain Par Investment” means an investment that is an obligation (i) issued with not more than a De Minimis Amount of original issue discount or premium, or, if acquired on a date other than the issue date, acquired with not more than a De Minimis Amount of market discount or premium; (ii) issued for a price that does not include accrued interest other than pre-issuance accrued interest; (iii) that bears interest from the issue date at a single, stated, fixed rate or that is a variable rate debt instrument under section 1275 of the Code, in each case with interest unconditionally payable at least annually; and (iv) that has a lowest stated redemption price that is not less than its outstanding stated principal amount.

“Preliminary Expenditures” mean preliminary expenditures as defined in Treasury Regulations section 1.150-2(f)(2), e.g., architectural, engineering, surveying, soil testing, costs of issuance and similar costs that were incurred prior to commencement of acquisition, construction or rehabilitation of a project, other than land acquisition, site preparation and similar costs incident to commencement of construction.

“Present Value” is computed under the economic accrual method. For purposes of computing the value of Obligations and yield on the Obligations, Present Value is computed taking into account all the unconditionally payable Payments of principal, interest, and fees for a Qualified Guarantee to be paid on or after that date and using the yield on that Obligation as the discount rate, except that for purposes of Treasury Regulations section 1.148-(6)(b)(2) (relating to the Universal Cap) these values may be determined by consistently using the yield on the entire issue of which such Obligations are a part. The Present Value of an investment on a date is equal to the Present Value of all unconditionally payable Receipts to be received from and Payments to be paid for the investment after that date, using the yield on the investment as the discount rate.

“Prior Issue” means an issue of Obligations all or a portion of the principal, interest, or call premium on which is paid or provided for with proceeds of a Refunding Issue.

“Proceeds” means, in general, any Sale Proceeds, Investment Proceeds, and Transferred Proceeds of an issue. However, Proceeds do not include Qualified Administrative Costs that may be recovered under Treasury Regulation section 1.148-5(e).

“Purpose Investment” means an investment that is acquired to carry out the governmental purpose of an issue.

“Qualified Administrative Costs” mean, with respect to Nonpurpose Investments reasonable, direct administrative costs, other than carrying costs, such as separately stated brokerage or selling commissions, but not legal and accounting fees, recordkeeping, custody, and similar costs. General overhead costs and similar indirect costs of the District such as employee salaries and office expenses and costs associated with computing the Rebate Amount are not qualified administrative costs. In general, administrative costs with respect to Nonpurpose Investments are not reasonable unless they are comparable to administrative costs that would be charged for the same investment or a reasonably comparable investment if acquired with a source of funds other than Gross Proceeds of Tax-exempt Bonds. Qualified Administrative Costs of

Nonpurpose Investments include all reasonable administrative costs, without limitation on indirect costs, incurred by a publicly offered regulated investment company (as defined in section 67(c)(2)(B) of the Code) or by a Commingled Fund in which the District and any Related Parties do not own more than 10 percent of the beneficial interest in the fund. A broker's commission or similar fee for a Guaranteed Investment Contract or a Yield Restricted Defeasance Escrow Investment which is paid on behalf of either the District or the provider is a Qualified Administrative Cost to the extent that (a) the amount of the fee that the District treats as a Qualified Administrative Cost does not exceed the lesser of (i) \$36,000 or (ii) 0.2% of the Computational Base or, if more, \$4,000, and (b) for any issue, the District does not treat as Qualified Administrative Costs more than \$101,000 in broker's commissions or similar fees with respect to all Guaranteed Investment Contracts or Yield Restricted Defeasance Escrow Investments purchased with Gross Proceeds of the issue. All amounts referenced in the preceding sentence reflect adjustments as of 2011, and all amounts for future calendar years shall be increased by a cost of living adjustment as provided in Treasury Regulation section 1.148-5(e)(3)(B)(3). Qualified Administrative Costs of a Purpose Investment means costs or expenses paid, directly or indirectly, to purchase, carry, sell, or retire the Purpose Investment, and except with respect to a Program Investment, costs of issuing, carrying, or repaying the issue, and any underwriters' discount.

“Qualified Guarantee” means a qualified guarantee as defined in Treasury Regulations section 1.148-4(f).

“Qualified Hedge” means a qualified hedge as defined in Treasury Regulations section 1.148-4(h)(2), i.e., (i) a contract entered into primarily to reduce the District's risk of interest rate changes with respect to a borrowing; (ii) the contract contains no significant investment element; (iii) the contract is entered into between the District and a provider that is not a Related Party; (iv) the hedge covers all of one or more groups of substantially identical Obligations; (v) changes in the value of the contract are based primarily on interest rate changes; (vi) the contract does not hedge an amount larger than the District's risk with respect to interest rate changes on the hedged Obligations; (vii) the payments to the District under the contract correspond closely, in both time and amount, to the specific interest payments being hedged; (viii) payments under the contract do not begin to accrue under the contract on a date earlier than the issue date of the hedged Obligations and do not accrue longer than the hedged interest payments on the hedged Obligations; (ix) payments to the hedge provider are reasonably expected to be made from the same source of funds that, absent the hedge, would be reasonably expected to be used to pay principal and interest on the hedged Obligations; and (x) the contract is identified by the District on its books and records maintained for the hedged Obligations not later than three days after the date on which the parties enter into the contract or the issue date of the hedged Obligations.

“Reasonable Retainage” means an amount not in excess of 5 percent of Available Construction Proceeds as of the end of the fourth spending period (or in the case of the *18-month Exception* set forth Treasury Regulations section 1.148-7(d) and Section hereof, 5 percent of the Net Sale Proceeds on the date 18 months after the issue date) that is retained for reasonable business purposes relating to the property financed with the proceeds of the issue.

“Reasonably Required Reserve or Replacement Fund” means, in general, a reasonably required reserve or replacement fund as described in Treasury Regulations section 1.148-2(f)(2).

“Receipt” means, except as otherwise provided with respect to the rebate requirement, a receipt as defined in Treasury Regulations section 1.148-3(d), i.e., amounts to be actually or constructively received from the investment, such as earnings and return of principal.

“Refunding Escrow” means one or more funds established as part of a single transaction or a series of related transactions, containing proceeds of a Refunding Issue and any other amounts to provide for payment of principal or interest on one or more Prior Issues. For this purpose, funds are generally not so established solely because of (i) the deposit of Proceeds of an issue and Replacement Proceeds of the Prior Issue in an escrow more than 6 months apart, or (ii) the deposit of Proceeds of completely separate issues in an escrow.

“Refunding Issue” means, a refunding issue as defined in Treasury Regulations section 1.150-1(d). In general, a Refunding Issue means an issue (or the portion of an issue treated as a separate Refunding Issue under Treasury Regulations section 1.148-9(h)), the proceeds of which are used to pay principal, interest, or redemption price on another issue.

“Related Party” means, in reference to a Governmental Unit or a 501(c)(3) Organization, any member of the same Controlled Group, and, in reference to any person that is not a Governmental Unit or 501(c)(3) Organization, a related person (as defined in section 144(a)(3) of the Code).

“Replacement Proceeds” means replacement proceeds as defined in Treasury Regulation section 1.148-1(c).

“Sale Proceeds” means any amounts actually or constructively received from the sale of an issue, including amounts used to pay underwriter’s discount or compensation and accrued interest other than pre-issuance accrued interest.

“SLGS” means State and Local Government Series Securities purchased from the United States Department of Treasury, Bureau of Public Debt.

“Substantial Beneficiary” of the obligations means the District, any related party to the District and the State in which the District is located.

“Tax-exempt Bond” means any obligation of a state or political subdivision thereof under section 103(c)(1) of the Code (including financing leases and any other arrangements, however labeled) the interest on which is excludable from gross income under section 103(a) of the Code. Tax-exempt Bond includes an interest in a regulated investment company to the extent that at least 95 percent of the income to the holder of the interest is interest that is excludable from gross income under section 103(a) of the Code.

“Tax Certificate” means, with respect to each issue of Obligations, the District’s Tax Certificate delivered as part of the record of proceedings with respect to the issuance of the Obligations for the purpose of complying with Treasury Regulation section 1.148(2)(b).

“Transferred Proceeds” means transferred proceeds as defined in Treasury Regulation section 1.148-9.

“Universal Cap” means, on any date, either (i) the present value of the Obligations determined by taking into account all unconditionally payable payments of principal, interest and fees for a Qualified Guarantee to be paid on or after that date, using the yield on the Obligations as the discount rate, or (ii) in the case of any Obligations which are Plain Par Bonds, the outstanding stated principal amount of such Obligations, plus accrued unpaid interest.

2. Allocation and Accounting.

(a) *In General.* Except as otherwise provided in this Section 2, the District may use any reasonable accounting method for purposes of accounting for Gross Proceeds, investments, and expenditures, provided the accounting method is consistently applied. An accounting method means both the overall method used to account for Gross Proceeds of an issue (e.g., the cash method or a modified accrual method) and the method used to account for or allocate any particular item within that overall accounting method (e.g., accounting for investments, expenditures, allocations to and from different sources, and particular items of the foregoing). Consistently applied means applied uniformly within a fiscal period and between fiscal periods to account for Gross Proceeds of an issue and any amounts that are in a Commingled Fund. An accounting method will not fail to be reasonable and consistently applied solely because a different accounting method is used for a bona fide governmental purpose to consistently account for a particular item.

(b) *Allocation of Gross Proceeds to the Obligations.* (i) *In General.* Gross Proceeds will be allocated to the Obligations as Proceeds until those amounts are properly allocated to an expenditure for a governmental purpose or are allocated to Transferred Proceeds of another issue, or cease to be allocated to the Obligations under the Universal Cap.

(i) *Universal Cap.* The Universal Cap provides an overall limitation on the amount of Gross Proceeds allocable to an issue. Except as provided in Section 2(b)(iii), unless the application of the Universal Cap would not result in a reduction or reallocation of Gross Proceeds of the Obligations on a date the District will determine or cause to be determined the Universal Cap with respect to the Obligations (A) as of the first day of each Bond Year, beginning with the first Bond Year that commences after the second anniversary of the date hereof, and (B) as of each date that, but for application of the Universal Cap, Proceeds of a refunded issue would become Transferred Proceeds of the Obligations but need not determine the Universal Cap in the Bond Year in which that date occurs.

(ii) If the District reasonably expects, as of the issue date of the Obligations that the Universal Cap will not reduce the amount of Gross Proceeds allocable to the Obligations during the term of the Obligations, the Universal Cap need not be calculated on any date on which: (A) no Replacement Proceeds are allocable to the Obligations, other than Replacement Proceeds in a Bona Fide Debt Service Fund or a Reasonably Required Reserve or Replacement Fund; (B) the Net Sale Proceeds of the Obligations qualified for one of the temporary periods provided in Treasury Regulations section 1.148-2(e)(2), (e)(3), or (e)(4), and those Net Sales Proceeds are in fact allocated to expenditures prior to the expiration of the longest applicable temporary period; or the Net Sale Proceeds of the Obligations

were deposited in a Refunding Escrow and expended as originally expected; (C) the Obligations do not refund an issue that, on any transfer date, has unspent proceeds allocable to it; (D) none of the Obligations are retired prior to the date on which those Obligations are treated as retired in computing the yield on the Obligations; and (E) no Proceeds of the Obligations are invested in “qualified student loans” or “qualified mortgage loans” (as defined in Treasury Regulations section 1.150-1).

(iii) If the value of all Nonpurpose Investments allocated to the Gross Proceeds of the Obligations exceeds the Universal Cap on a date as of which the Universal Cap is determined such Nonpurpose Investments allocable to Gross Proceeds of the Obligations necessary to eliminate that excess will cease to be allocated to the Obligations, in the following order of priority: (A) Nonpurpose Investments allocable to Replacement Proceeds; (B) Nonpurpose Investments allocable to Transferred Proceeds; and (C) Nonpurpose Investments allocable to Sale Proceeds and Investment Proceeds.

For this purpose Nonpurpose Investments may be valued (i) in the case of a Plain Par Investment at its principal amount plus any accrued unpaid interest on that date; (ii) in the case of fixed rate investments, at its Present Value on that date; or (iii) in the case of any other investment, at its Fair Market Value.

(c) *Allocations to Expenditures.* (i) In General. Reasonable accounting methods for allocating funds from different sources to expenditures for the same governmental purpose include any of the following methods if consistently applied: a specific tracing method; a Gross Proceeds spent first method; a first-in, first-out method; or a ratable allocation. An allocation of Gross Proceeds of an issue to an expenditure must involve a current outlay of cash for a governmental purpose of the issue. A current outlay of cash means an outlay reasonably expected to occur not later than 5 banking days after the date as of which the allocation of Gross Proceeds to the expenditure is made. A payment of Gross Proceeds to a Related Party of the District is not an expenditure of those Gross Proceeds. Gross Proceeds paid to the Related Party are expended only when the Gross Proceeds are properly allocable to an expenditure by the Related Party.

(ii) *Expenditures for Working Capital Purposes.* Except as otherwise provided in Section 2(c)(iii), Proceeds of the Obligations and Replacement Proceeds of the Obligations that are allocated to the payment of expenditures or to the reimbursement of expenditures other than expenditures that are (A) Capital Expenditures; (B) Qualified Administrative Costs; (C) fees for Qualified Guarantees of the issue or payments for a Qualified Hedge; (D) interest on the Obligations for a period commencing on the issue date and ending on the date that is the later of three years from the issue date or one year after the date on which the Projects are Placed in Service; (E) a Rebate Amount or Yield Reduction Payment paid to the United States; (F) costs that are directly related to Capital Expenditures financed by the issue that, in total, do not exceed 5 percent of the Sale Proceeds of the Obligations; (G) principal or interest on the Obligations paid from unexpected excess Sale Proceeds or Investment Proceeds; (H) principal or interest on the

Obligations paid from investment earnings on a reserve or replacement fund that are deposited in a Bona Fide Debt Service Fund; (I) to pay for extraordinary, nonrecurring items that are not customarily payable from current revenues, such as casualty losses or extraordinary legal judgments in amounts in excess of reasonable insurance coverage; (J) for payment of principal, interest, or redemption prices on a Prior Issue; and (K) for a crossover Refunding Issue, interest on that issue will be treated as spent to the extent that those working capital expenditures exceed available amounts (as defined in Treasury Regulations section 1.148-6(d)(3)(iii)) as of that date.

(iii) *Commingled Investment Earnings.* Notwithstanding Subsection 2(c)(ii), investment earnings on Sale Proceeds of the Obligations (other than investment earnings held in a Refunding Escrow) may be allocated to expenditures other than expenditures described in Subsection 2(c)(ii), if the investment earnings are commingled for the purpose of accounting for expenditures with substantial tax or other substantial revenues from operations of the District and they are reasonably expected to be allocated (using any reasonable, consistently applied accounting method) to expenditures for governmental purposes of the District within a period not to exceed six months from the date of the commingling.

(d) *Allocations of Gross Proceeds to Investments.* Upon the purchase or sale of a Nonpurpose Investment, Gross Proceeds of an issue will not be allocated to a Payment for that Nonpurpose Investment in an amount greater than, or to a Receipt from that Nonpurpose Investment in an amount less than, the Fair Market Value of the Nonpurpose Investment (adjusted to take into account Qualified Administrative Costs allocable to the investment) as of the purchase or sale date.

(e) *Allocation of Investments Held by a Commingled Fund.* (i) *In General.* All Payments and Receipts (including deemed Payments and Receipts) on investments held by a Commingled Fund must be allocated among the different “investors” in the fund not less frequently than as of the close of each fiscal period. This allocation must be based on a consistently applied reasonable, ratable allocation method. Reasonable ratable allocation methods include, methods that allocate these items in proportion to either (A) the average daily balances of the amounts in the Commingled Fund from different “investors” during a fiscal period; or (B) the average of the beginning and ending balances of the amounts in the Commingled Fund from different investors for a fiscal period that does not exceed one month. For purposes of this Subsection 2(e), the term “investor” means each different source of funds invested in a Commingled Fund. A Commingled Fund may use any consistent fiscal period that does not exceed three months.

(i) *Expenditures from a Commingled Fund.* If a ratable allocation method is used to allocate expenditures from the Commingled Fund, the same ratable allocation method must be used to allocate Payments and Receipts on investments in the Commingled Fund under this Subsection.

(ii) *Common Reserve Funds, Replacement Funds or Sinking Funds.* If a Commingled Fund serves as a common reserve fund, replacement fund, or sinking

fund for two or more issues, investments held by that Commingled Fund must be allocated ratably (after any reallocations of Proceeds under Section 2(b)) among the issues served by the Commingled Fund according to (A) the relative values of the bonds of those issues (as determined under Treasury Regulations section 1.148-4(e)); (B) the relative amounts of the remaining maximum annual debt service requirements on the outstanding principal amounts of those issues; or (C) the relative original stated principal amounts of the outstanding issues. Such allocations must be made at least every three years and as of each date that an issue first becomes secured by the Commingled Fund. If relative original principal amounts are used to allocate, allocations must also be made on the retirement of any issue secured by the Commingled Fund.

3. *Yield and Valuation of Investments.* (a) *Mark-to-Market Requirement.* If Gross Proceeds of the Obligations are invested in a Commingled Fund in which the District and any Related Party own more than 25 percent of the beneficial interests in the Commingled Fund, the Commingled Fund must treat all its investments as if sold at Fair Market Value either on the last day of the fiscal year or the last day of each fiscal period unless (i) the remaining weighted average maturity of all investments held by the Commingled Fund during the fiscal year does not exceed 18 months, and the investments held by the Commingled Fund during that fiscal year consist exclusively of Obligations, or (ii) the Commingled Fund operates exclusively as a reserve fund, sinking fund, or replacement fund for two or more issues of the same issuer. The net gains or losses from any such deemed sales of investments must be allocated to all investors of the Commingled Fund during the period since the last allocation. For purposes of this Subsection the “fiscal year” of a Commingled Fund is the calendar year unless the Commingled Fund adopts another “fiscal year.”

(a) *In General.* Yield on an investment, the Present Value of an investment and the Fair Market Value of an investment allocated to the Obligations will be computed under the economic accrual method, using the same compounding interval and financial conventions used to compute the yield on the Obligations. Except as otherwise provided in this Section 3, the yield on an investment allocated to the Obligations is the discount rate that, when used in computing the Present Value as of the date the investment is first allocated to the issue of all unconditionally payable Receipts from the investment, produces an amount equal to the Present Value of all unconditionally payable Payments for the investment. The Present Value of an investment on a date is equal to the Present Value of all unconditionally payable Receipts to be received from and Payments to be paid for the investment after that date, using the yield on the investment as the discount rate. The yield on a variable rate investment is determined in a manner comparable to the determination of the yield on a variable rate issue of Tax-exempt Bonds for purposes of section 148 of the Code. For purposes of the Investment Limitation described in the Tax Certificate, the yield on investments made with Sale Proceeds of the Obligations or investment earnings thereon that are subject to yield restriction will be computed separately from the yield on investments not subject to yield restriction.

(b) *Yield Reduction Payments to the United States.* The yield on any investments allocable to Sale Proceeds of the Obligations or investment earnings thereon that qualified for one of the temporary periods described in the Tax Certificate, other than Replacement Proceeds, may be calculated by taking into account any amount paid to the United States in

accordance with this Section 3(b), including any Rebate Amount, as a Payment for that investment that reduces the yield on that investment. The yield on any investments allocable to Sale Proceeds may be calculated by taking into account any “Yield Reduction Payments,” as described in this Section 3(b) (including any Rebate Amount) as a Payment for that investment that reduces the yield on that investment. Yield Reduction Payments include payments paid to the United States at the same time and in the same manner as rebate amounts are required to be paid except:

(i) No Yield Reduction Payments are required to be paid until 60 days after the date on which the issue is no longer outstanding; and

(ii) For Yield Reduction Payments paid prior to the date on which the *Obligations* are retired, the District need not pay more than 75 percent of the amount otherwise required to be paid as of the date to which the payment relates.

(c) *Valuation of Investments.* The value of an investment (including a Payment or Receipt on the investment) on a date will be determined using one of the following valuation methods consistently for all purposes of section 148 of the Code to that investment on that date:

(i) A Plain Par Investment may be valued at its outstanding stated principal amount, plus any accrued unpaid interest on that date.

(ii) A Fixed Rate Investment may be valued at its Present Value on that date.

(iii) Any investment may be valued at its Fair Market Value on that date.

(d) *Fair Market Value.* (i) *In General.* The Fair Market Value of an investment is the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm’s-length transaction. Fair Market Value generally is determined on the date on which a contract to purchase or sell the Nonpurpose Investment becomes binding. Except as otherwise provided in this Section, an investment that is not of a type traded on an established securities market, within the meaning of section 1273 of the Code, will not be considered acquired or disposed of for a price that is equal to its Fair Market Value.

(i) *Direct United States Treasury Obligations.* The Fair Market Value of a United States Treasury obligation that is purchased directly from the United States Treasury is its purchase price.

(ii) *Certificate of Deposit.* The purchase price of a certificate of deposit that has a fixed interest rate, a fixed payment schedule, and a substantial penalty for early withdrawal may be treated as its Fair Market Value on the purchase date if the yield on the certificate of deposit is not less than the yield on reasonably comparable direct Obligations of the United States and the highest yield that is published or posted by the provider to be currently available from the provider on reasonably comparable certificates of deposit offered to the public.

(iii) *Guaranteed Investment Contracts.* The purchase price of a Guaranteed Investment Contract is treated as its Fair Market Value on the purchase

date if: (A) the District makes a Bona Fide Solicitation for a specified Guaranteed Investment Contract; (B) the District receives at least three bids from providers for the specified Guaranteed Investment Contract that the District solicited under a Bona Fide Solicitation that have no Material Financial Interest in the issue, at least one of whom is a reasonably competitive provider, i.e., a provider that has an established industry reputation as a provider of Guaranteed Investment Contracts; (C) the District purchases the highest-yielding Guaranteed Investment Contract for which a qualifying bid is made (determined net of broker's fees); (D) the obligor on the Guaranteed Investment Contract provides a written certification specifying all amounts that it is paying (or expects to pay) to third parties in connection with supplying the Guaranteed Investment Contract; and (E) the District retains the Bid Records with the bond documents until three years after the last outstanding Obligation is redeemed.

(iv) *Yield Restricted Defeasance Escrow Investment.* The purchase price of a Yield Restricted Defeasance Escrow Investment is treated as its Fair Market Value on the purchase date if: (A) the District makes a Bona Fide Solicitation for the purchase of the investment; (B) the District receives at least three bids from providers that the District solicited under a Bona Fide Solicitation that have no Material Financial Interest in the issue, at least one of whom is a reasonably competitive provider, i.e., a provider that has an established industry reputation as a provider of the type of investment being purchased; (C) the winning bid is the Lowest Cost Bona Fide Bid (including any broker's fees); (D) the provider of the investments certifies the administrative costs that it is paying (or expects to pay) to third parties in connection with supplying the investments; and (E) the District retains the Bid Records with the bond documents until three years after the last Obligation is redeemed.

(v) *Material Financial Interest.* For purposes of paragraphs (iii) and (iv) the following persons or entities are deemed to have a Material Financial Interest in the issue: (A) the lead underwriter in a negotiated underwriting transaction until 15 days after the issue date; (B) any entity acting as a financial advisor with respect to the purchase of the investment at the time the bid specifications are forwarded to potential providers; and (C) a Related Party to a provider that has a Material Financial Interest in the issue.

(vi) *Bidding.* If the District invests any Gross Proceeds of the Obligations in a Guaranteed Investment Contract or purchases with Gross Proceeds Yield Restricted Defeasance Escrow Investments, it will conduct, or will have conducted on its behalf, a Bona Fide Solicitation. The District will require the agent to certify as to the bidding process as set forth in the form of Certificate of Bidding Agent to be furnished by Bond Counsel, in the case of a Guaranteed Investment Contract or in the case of Yield Restricted Defeasance Escrow Investments. If the bidding process is not conducted through an agent, the District itself will provide a similar certificate. The District will file such certification together with the Bid Records, with the documents relating to the Obligations. If the District wishes to invest Gross Proceeds of the Obligations in Certificates of Deposit it will obtain

from the provider a certification that the Certificate of Deposit has a fixed rate, a fixed payment schedule and a substantial penalty for early withdrawal, and the yield on the certificate of deposit is not less than (A) the yield on reasonably comparable direct Obligations of the United States and (B) the highest yield published by the provider and currently available from the provider on reasonably comparable certificates of deposit offered to the public.

(e) *Administrative Costs.* Except for Qualified Administrative Costs, costs or expenses paid, directly or indirectly, to purchase, carry, sell, or retire investments will not increase Payments made for investments and will not reduce Receipts from Investments. Qualified Administrative Costs will increase the Payments for, or decrease the Receipts from, investments.

(f) *Record Keeping.* The District shall keep, or cause to be kept, accurate records of the status of compliance of the Obligations with respect to compliance with the expenditure requirements at the end of each 6-month period described in Section 4(a)(ii)(C) hereof. The District will keep, or cause to be kept, accurate records of each investment it makes in Investment Property acquired, directly or indirectly, with Gross Proceeds of the Obligations (other than revenues in a Bona Fide Debt Service Fund) and each expenditure it makes with Gross Proceeds of the Obligations. Such records will include all of the information necessary to compute the yield on each investment in Investment Property to the District, e.g., purchase price, nominal interest rate, dated date, maturity date, type of property, frequency of periodic payments, period of compounding, yield to maturity, amount actually or constructively received on disposition, disposition date and evidence of the Fair Market Value of such property on the purchase date and disposition date (or deemed purchase or disposition date) for each item of such Investment Property.

4. Rebate Requirement.

(a) *Calculation of the Rebate Amount.* In general, the Rebate Amount, as of any date is the excess of the “future value.” as of that date, of all Receipts on Nonpurpose Investments allocated to the Obligations over the “future value.” as of that date, of all Payments on Nonpurpose Investments allocated to the Obligations. The “future value” of a Payment or Receipt at the end of any period is determined using the economic accrual method and equals the value of that Payment or Receipt when it is paid or received (or treated as paid or received), plus interest assumed to be earned and compounded over the period at a rate equal to the yield on the Obligations, using the same compounding interval and financial conventions used to compute the yield on the Obligations. Amounts earned on certain Gross Proceeds of the Obligations either may not be, or are not required to be, taken into account in determining the Rebate Amount. The earnings on Gross Proceeds excepted from the calculation of the Rebate Amount include the following:

(i) *Bona Fide Debt Service Fund.* Amounts earned on a Bona Fide Debt Service Fund for the Obligations and amounts earned on such amounts may not be taken into account if the gross earnings on the Bona Fide Debt Service Fund for the Bond Year is less than \$100,000.

(ii) *Spending Exceptions.* Earnings with respect to certain Gross Proceeds described in 4(a)(ii) of this Section are not required to be taken into account in determining the Rebate Amount if requirements of 4(a)(ii)(B), 4(a)(ii)(C) or 4(a)(ii)(D) of this Section are met with respect to such Gross Proceeds.

(A) *Special Rules.* For purposes of 4(a)(ii) of this Section the following special rules will apply.

(I) If any portion of the Obligations is treated as a separate Refunding Issue under Treasury Regulations section 1.148-9(h), that portion is treated as a separate issue.

(II) The only spending exception applicable to a Refunding Issue is the *6-month Exception*.

(III) Solely for purposes of determining whether or not the expenditure requirement has been met under the *6-month Exception* for a Refunding Issue, proceeds of the refunded issue that become Transferred Proceeds of the Refunding Issue are, in general, not treated as “gross proceeds” of the Refunding Issue and need not be spent for the Refunding Issue to satisfy that spending exception. However, Transferred Proceeds of the Refunding Issue that were from excluded “gross proceeds” of the refunded issue under the special definition of “gross proceeds” described in 4(a)(ii)(A)(IX) of this Section, and Transferred Proceeds from any prior taxable issue, are treated as “gross proceeds” of the Refunding Issue under the *6-month Exception* unless those Transferred Proceeds are used in a manner that causes those amounts to be excluded from gross proceeds under the special definition described in 4(a)(ii)(A)(IX) of this Section. Transferred Proceeds excluded from Gross Proceeds for purposes of determining whether or not the expenditure requirement has been met are subject to rebate as proceeds of the Refunding Issue unless an exception to rebate applied to those proceeds as proceeds of the refunded issue.

(IV) Proceeds of the refunded issue, which for other purposes become Transferred Proceeds of the Obligations, continue to be treated as unspent proceeds of the refunded issue for purposes of applying the spending exceptions to an issue refunded by the Obligations.

(V) If the refunded issue satisfies one of the spending exceptions, the proceeds of the refunded issue that are excepted from rebate under that spending exception are not subject to rebate either as proceeds of the refunded issue or as Transferred Proceeds of the Obligations.

(VI) Expenditures for the governmental purpose of an issue include payments for interest, but not principal, on the issue, and for principal or interest on another issue of obligations. The preceding sentence does not apply for purposes of the *18-month Exception* and *2-year Construction Exception* if those payments cause the issue to be a Refunding Issue.

(VII) Any failure to satisfy the final spending requirement of the *18-month Exception* or the *2-year Construction Exception* described in 4(a)(ii)(D) of this Section is disregarded if the District exercises due diligence to complete the Project and the amount of the failure does not exceed the lesser of (1) 3 percent of the Issue Price of the Nonconstruction Issue in the case of the *18-month Exception* or the Construction Issue in the case of the *2-year Construction Exception* or (2) \$250,000.

(VIII) For purposes of this Section only, a Reasonably Required Reserve or Replacement Fund also includes any fund to the extent described in Treasury Regulations section 1.148-5(c)(3)(i)(E) or (G).

(IX) Solely for purposes of determining whether the expenditure requirements with respect to the *6-month Exception* (as described in Section 4(a)(ii)(B)(I)) and the *18-month Exception* (as described in Section 4(a)(ii)(C)(I)) have been met, “gross proceeds” does not include (1) amounts in a Bona Fide Debt Service Fund; (2) amounts in a Reasonably Required Reserve or Replacement Fund (as defined for purposes of this Section); (3) amounts that, as of the date the Obligations are issued, are not reasonably expected to be Gross Proceeds but that become Gross Proceeds after the end of the 6-month spending period (or the 1-year spending period in the case of the Minor Portion) and the third spending period in the case of the *18-month Exception*; and (4) amounts representing repayments of Grants financed by the Obligations (if any).

(B) *6-month Exception.* Earnings with respect to Gross Proceeds of a Nonconstruction Issue or the Refunding Issue (treated as separate issues) during the 6-month period beginning on the date of issue of the Obligations (the “6-month spending period”) and earnings with respect to an amount of Gross Proceeds of the Obligations not in excess of the Minor Portion during the 1-year period beginning on the date of issue of the Obligations (the “1-year spending period”) need not be taken into account if:

(I) The “gross proceeds” (as defined in this Section) of the respective issue are allocated to expenditures for the governmental purposes of the issue within the 6-month spending

period, other than Gross Proceeds not in excess of the Minor Portion and such Minor Portion is allocated to expenditures for the governmental purposes of the issue within the 1-year spending period; and (II) The rebate requirement is met for amounts not required to be spent within the 6-month spending period (excluding earnings on a Bona Fide Debt Service Fund) or the 1-year spending period for the Minor Portion.

(C) *18-month Exception.* Earnings with respect to Gross Proceeds of the New Money Portion of the Obligations need not be taken into account if:

(I) The “gross proceeds” (as defined in this Section) are allocated to expenditures for a governmental purpose of the New Money Portion of the Obligations in accordance with the following schedule: (1) at least fifteen percent (15%) within 6 months; (2) at least sixty percent (60%) within 12 months; and (3) one hundred percent (100%) within 18 months (the “third spending period”). The New Money Portion of the Obligations will not be regarded as failing to satisfy the spending requirement for the third spending period as a result of a Reasonable Retainage if the Reasonable Retainage is allocated to expenditures within 30 months of the issue date.

(II) The rebate requirement is met for all amounts not required to be spent in accordance with the 18-month expenditure schedule (other than earnings on a Bona Fide Debt Service Fund).

(III) All of the “gross proceeds” (as defined in this Section) of the New Money Portion of the Obligations qualify for the initial temporary period under Treasury Regulations section 1.148-2(e)(2).

(IV) No portion of the New Money Portion of the Obligations is treated as meeting the exception from the rebate requirement for certain proceeds used to finance construction expenditures as provided in section 148(f)(4)(C) of Code and Treasury Regulations 1.148-7(e), as described in (D) of this Section.

(D) *2-year Construction Exception.* Amounts earned on Gross Proceeds which are Available Construction Proceeds of a Construction Issue are not required to be taken into account if Available Construction Proceeds of the Construction Issue are allocated to expenditures for the governmental purposes of the Construction Issue in accordance with the following schedule: (I) 10 percent or more within six months after the date of issue of the New Money Portion of the Obligations; (II) 45 percent or more within 1 year after the date of issue of the New Money Portion of the

Obligations; (III) 75 percent or more within 18 months after the date of issue of the New Money Portion of the Obligations; and (IV) 100 percent within 2 years after the date of issue of the New Money Portion of the Obligations (the “fourth spending period”). The Construction Issue will not be regarded as failing to satisfy the spending requirement for the fourth spending period as a result of unspent amounts for Reasonable Retainage if those amounts are allocated to expenditures within 3 years of the issue date.

(b) *Computation Dates.* The Computation Date for the calculation of the Rebate Amount required by this Section 4 for Obligations with a term of less than five years will be the latest of: (i) the date that the Obligations are discharged; (ii) 8 months after the date the Obligations were issued; or (iii) the date the District no longer reasonably expects that any of the spending exceptions under Treasury Regulations section 1.148-7 (as described in 4(a)(ii) of this Section) will apply to the Obligations. The Computation Dates for the calculation of the Rebate Amount required by this Section 4 for Obligations with a term of five years or more will be: (i) a date selected by the District which is no later than 5 years after the issue date of the Obligations, (ii) each fifth year thereafter, and (iii) the date that the last of the Obligations are discharged (i.e., the date of the retirement of the last maturity of the Obligations).

(c) *Rebate Payments.* The District will pay the Rebate Amount to the United States no later than 60 days after the Computation Date. Payment of a Rebate Amount will be filed with the Internal Revenue Service Center, Ogden, Utah 84201. Payment of a Rebate Amount will be accompanied by Form 8038-T.

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RESOLUTION 2026-4

**[SUPPLEMENTAL ASSESSMENT RESOLUTION
WITH DELEGATION OF AUTHORITY – 2026 BONDS]**

A RESOLUTION SETTING FORTH THE SPECIFIC TERMS OF THE DISTRICT'S CAPITAL IMPROVEMENT REVENUE BONDS, SERIES 2026; MAKING CERTAIN ADDITIONAL FINDINGS AND CONFIRMING AND/OR ADOPTING AN ENGINEER'S REPORT AND A SUPPLEMENTAL ASSESSMENT REPORT; DELEGATING AUTHORITY TO PREPARE FINAL REPORTS AND UPDATE THIS RESOLUTION; CONFIRMING THE MAXIMUM ASSESSMENT LIEN SECURING THE BONDS; ADDRESSING THE ALLOCATION AND COLLECTION OF THE ASSESSMENTS SECURING THE BONDS; ADDRESSING PREPAYMENTS; ADDRESSING TRUE-UP PAYMENTS; PROVIDING FOR THE SUPPLEMENTATION OF THE IMPROVEMENT LIEN BOOK; AND PROVIDING FOR CONFLICTS, SEVERABILITY AND AN EFFECTIVE DATE.

WHEREAS, the Esplanade at Wellen Park Community Development District ("**District**") has previously indicated its intention to undertake, install, establish, construct or acquire certain public improvements and to finance such public improvements through the issuance of bonds secured by the imposition of special assessments on benefited property within the District; and

WHEREAS, the District's Board of Supervisors ("**Board**") has previously adopted, after proper notice and public hearing, Resolution 2026-1 ("**Master Assessment Resolution**"), relating to the imposition, levy, collection and enforcement of such special assessments, and establishing a master lien over the property within the District, which lien remains inchoate until the District issues bonds, as provided in the Master Assessment Resolution; and

WHEREAS, the Master Assessment Resolution provides that as each series of bonds is issued to fund all or any portion of the District's improvements, a supplemental resolution may be adopted to set forth the specific terms of the bonds and certify the amount of the lien of the special assessments securing any portion of the bonds, including interest, costs of issuance, the number of payments due, and the application of receipt of any true-up proceeds; and

WHEREAS, on February 12, 2026, and in order to finance all or a portion of what is known as the "2026 Project" ("**Project**"), the District adopted Resolution 2026-2 ("**Delegated Award Resolution**"), which authorized the District to enter into a *Bond Purchase Contract* and sell its Capital Improvement Revenue Bonds, Series 2026 ("**Bonds**") within certain parameters set forth in the Delegated Award Resolution; and

WHEREAS, the District intends to secure the Bonds by levying debt service special assessments ("**Assessments**") pursuant to the terms of the Master Assessment Resolution, in accordance with the supplemental trust indenture applicable to the Bonds and associated financing documents; and

WHEREAS, pursuant to and consistent with the Master Assessment Resolution and Delegated Award Resolution, the District desires to authorize the finalization of its Assessments, among other actions.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE ESPLANADE AT WELLEN PARK COMMUNITY DEVELOPMENT DISTRICT AS FOLLOWS:

1. **INCORPORATION OF RECITALS.** All of the above representations, findings and determinations contained above are recognized as true and accurate and are expressly incorporated into this Resolution.

2. **AUTHORITY FOR THIS RESOLUTION.** This Resolution is adopted pursuant to the provisions of Florida law, including Chapters 170, 190 and 197, *Florida Statutes*, and the Master Assessment Resolution.

3. **ADDITIONAL FINDINGS; ADOPTION OF ENGINEER'S REPORT AND SUPPLEMENTAL ASSESSMENT REPORT.** The Board hereby finds and determines as follows:

- a. The *First Supplemental Engineer's Report*, as further amended and supplemented from time to time, attached to this Resolution as **Exhibit A ("Engineer's Report")**, identifies and describes, among other things, the presently expected components and estimated costs of the Project. The District hereby confirms that the Project serves a proper, essential and valid public purpose. The Engineer's Report is hereby approved, adopted, and confirmed in substantial form. The District authorizes and ratifies its use in connection with the sale of the Bonds, subject to any changes deemed necessary under Section 4.a herein.
- b. The *Final Supplemental Special Assessment Methodology – Series 2026 Bonds*, attached to this Resolution as **Exhibit B ("Supplemental Assessment Report")**, applies the *Master Special Assessment Methodology*, dated July 8, 2025 ("**Master Assessment Report**") to the Project and the proposed terms of the Bonds. The Supplemental Assessment Report is hereby approved, adopted and confirmed in substantial form. The District authorizes and ratifies its use in connection with the sale of the Bonds, subject to any changes deemed necessary under Section 4.a. herein.
- c. Generally speaking, and subject to the terms of **Exhibit A** and **Exhibit B**, the Project benefits all developable property within the "**Assessment Area**,"¹ as further described in **Exhibit C** attached hereto. Moreover, the benefits from the Project funded by the Bonds equal or exceed the amount of the special assessments ("**Assessments**"), as described in **Exhibit B**, and such the Assessments are fairly and reasonably allocated across the Assessment Area. It is reasonable, proper, just and right to assess the portion of the costs of the Project to be financed with the Bonds to the specially benefited properties within the Assessment Area as set forth in Master Assessment Resolution and this Resolution.

4. **CONFIRMATION OF MAXIMUM ASSESSMENT LIEN SECURING THE BONDS; DELEGATION OF AUTHORITY FOR DISTRICT STAFF TO ISSUE FINAL REPORTS AND UPDATE THIS RESOLUTION.** As provided in the Master Assessment Resolution, this Resolution is intended to set forth the terms of the

¹ Initially, the Assessment Area refers to all benefitted lands within the District, and, upon platting and development, refers to the lots necessary to allocate all of Assessments pursuant to the Supplemental Assessment Report.

Bonds and the final amount of the lien of the Assessments. In connection with the closing on the sale of the Bonds, District Staff is authorized to:

- a. Prepare final versions of the Engineer's Report and Supplemental Assessment Report attached hereto as **Exhibit A** and **Exhibit B**, respectively, to incorporate final pricing terms and make such other revisions as may be deemed necessary, provided however that:
 - i. the Assessments shall be levied and imposed within the parameters of the Master Assessment Resolution and this Resolution,
 - ii. the final versions shall be approved by the Chairperson or, in the Chairperson's absence, the Vice Chairperson, and in the absence or unavailability of the Vice Chairperson, any other member of the Board, which approval shall be conclusively evidenced by execution of the Bond Purchase Contract and closing on the Bonds, and
 - iii. the actual amounts financed, costs of issuance, expected costs of collection, and the total amount of assessments pledged to the issuance of the Bonds, which amount shall be consistent with the lien imposed by the Master Assessment Resolution, shall all be as set forth in the final Supplemental Assessment Report.
- b. After pricing, the District Manager is directed to attach a **Composite Exhibit D** to this Resolution showing: (i) Maturities and Coupon of Bonds, (ii) Sources and Uses of Funds for Bonds, and (iii) Annual Debt Service Payment Due on Bonds; and
- c. Upon closing on the District's Bonds, the District's Secretary is hereby authorized and directed to record a Notice of Assessments in the Official Records of the County in which the District is located, or such other instrument evidencing the actions taken by the District. The lien of the Assessments shall be the principal amount due on the Bonds, and together with interest and collection costs, and shall cover all developable acreage within the Assessment Area, as further provided in the Assessment Roll included in the Supplemental Assessment Report, and as such land is ultimately defined and set forth in site plans or other designations of developable acreage.

5. **ALLOCATION AND COLLECTION OF THE ASSESSMENTS.**

- a. The Assessments shall be allocated in accordance with **Exhibit B** and the Master Assessment Report. The final Supplemental Assessment Report shall reflect the actual terms of the issuance of the Bonds. The Assessments shall be paid in not more than thirty (30) years of installments of principal and interest, excluding any capitalized interest period.
- b. The District hereby certifies the Assessments for collection and authorizes and directs District staff to take all actions necessary to meet the time and other deadlines imposed for collection by the County and other Florida law. The District's Board each year shall adopt a resolution addressing the manner in which the Assessments shall be collected for the upcoming fiscal year. The decision to collect 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 the 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.

6. **IMPACT FEE CREDITS.** [RESERVED.]

7. **PREPAYMENT OF ASSESSMENTS.** Any owner of property subject to the Assessments may, at its option, pre-pay the entire amount of the Assessments any time, or a portion of the amount of the Assessments up to two (2) times, plus any applicable interest, attributable to the property subject to the Assessments owned by such owner. In connection with any prepayment of Assessments, the District may grant a discount equal to all or part of the payee's proportionate share of financing costs (e.g., reserves) to the extent such discounts are provided for under the applicable trust indenture. Except as otherwise set forth herein, the terms of the Master Assessment Resolution addressing prepayment of assessments shall continue to apply in full force and effect.

8. **APPLICATION OF TRUE-UP PAYMENTS.** The terms of the Master Assessment Resolution, Master Assessment Report and Supplemental Assessment Report addressing True-Up Payments, as defined therein, shall continue to apply in full force and effect.

9. **IMPROVEMENT LIEN BOOK.** Immediately following the closing on the District's Bonds, the Assessments as reflected herein shall be recorded by the Secretary of the Board in the District's Improvement Lien Book. The Assessments shall be and shall remain a legal, valid and binding first lien against all benefitted property as described in **Exhibit B** until paid and such lien shall be coequal with the lien of all state, county, district, municipal or other governmental taxes and superior in dignity to all other liens, titles, and claims.

10. **ADDITIONAL AUTHORIZATION.** The Chairperson, the Secretary, and all other Supervisors, officers and staff of the District are hereby authorized and directed to take all actions necessary or desirable in connection with the issuance and delivery of the Bonds, and final levy of the Assessments, and the consummation of all transactions in connection therewith, including the execution of all certificates, documents, papers, notices, and agreements necessary to the undertaking and fulfillment of all transactions referred to in or contemplated by this Resolution. The Vice Chairperson is hereby authorized to act in the stead of the Chairperson in any undertaking authorized or required of the Chairperson hereunder, and in the absence of the Chairperson and Vice Chairperson, any other member of the District's Board of Supervisors is so authorized, and any Assistant Secretary is hereby authorized to act in the stead of the Secretary in any undertaking authorized or required of the Secretary hereunder.

11. **CONFLICTS.** This Resolution is intended to supplement the Master Assessment Resolution, which remains in full force and effect and is applicable to the Bonds except as modified herein. This Resolution and the Master Assessment Resolution shall be construed to the maximum extent possible to give full force and effect to the provisions of each resolution, provided however that to the extent of any conflict, this Resolution shall control. All District resolutions or parts thereof in actual conflict with this Resolution are, to the extent of such conflict, superseded and repealed.

12. **SEVERABILITY.** If any section or part of a section of this Resolution is declared invalid or unconstitutional, the validity, force and effect of any other section or part of a section of this Resolution shall not thereby be affected or impaired unless it clearly appears that such other section or part of a

section of this Resolution is wholly or necessarily dependent upon the section or part of a section so held to be invalid or unconstitutional.

13. **EFFECTIVE DATE.** This Resolution shall become effective upon its adoption.

APPROVED and **ADOPTED** this 12th day of February, 2026.

ATTEST:

**ESPLANADE AT WELLEN PARK
COMMUNITY DEVELOPMENT DISTRICT**

James P. Ward, Secretary

John Wollard, Chairperson

Exhibit A: *First Supplemental Engineer's Report*
Exhibit B: *Final Supplemental Special Assessment Methodology – Series 2026 Bonds*
Exhibit C: Legal Description of the Assessment Area
Comp. Exhibit D: Maturities and Coupon of Bonds
Sources and Uses of Funds for Bonds
Annual Debt Service Payment Due on Bonds

**Esplanade at Wellen Park
Community Development District**

First Supplemental

Engineer's Report

January 13, 2026

Prepared for:

Esplanade at Wellen Park
Community Development District
Sarasota County, Florida

prepared by:

Victor Barbosa, P.E.
Atwell, LLC
Tampa, Florida

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PURPOSE AND SCOPE

This report is a supplement to the Master Engineer's Report dated June 2025 (the "Master Engineer's Report") and describes the portion of the District's Capital Improvements Plan (the "CIP") included in the first phase of construction (the "2026 Project"). The purpose of this report is to outline the scope of the 2026 Project and provide a description of the public infrastructure improvements comprising the 2026 Project that may be financed and/or acquired by the District all or in part through the issuance of its bonds (the "2026 Bonds"). Only those improvements in the 2026 Project eligible to be funded with proceeds of tax-exempt 2026 Bonds will be financed by the District. A portion of these public infrastructure improvements may be completed by Taylor Morrison of Florida, Inc. (the "Developer"), the primary developer of lands within the District, and acquired by the District with proceeds of bonds issued by the District. The Developer will finance and construct the balance of the infrastructure improvements needed for the District that are not financed by the District through the 2026 Bonds or a future bond issuance.

The 2026 Project, as outlined herein, is necessary for the functional development of the District as required by Sarasota County, Florida, the Englewood Water District, the Southwest Florida Water Management District and the United States Army Corps of Engineers. Specifically, the 2026 Project includes improvements necessary for Neighborhood 1 and a portion of Neighborhood 2 of the development, which encompasses approximately 177.1 Acres and is planned to contain 239 Single Family Attached and Detached units as outlined in Table 1 below.

The 2026 Project described in this report reflects the District's present intentions. The implementation and completion of the 2026 Project outlined in this report requires final approval by the District's Board of Supervisors, including the approval for the purchase of site related improvements. Cost estimates contained in this report have been prepared based on the best available information, including current contract unit prices, bid documents and pay requests where available. These estimates may not reflect final engineering design or complete environmental permitting. Actual costs will vary based upon final plans, design, planning, approvals from regulatory authorities, inflation, etc. Nevertheless, all costs contained herein, may be reasonably expected to adequately fund the improvements described, and contingency costs as included are reasonable.

The CIP functions as a system of improvements benefitting all the existing and planned residential development in the District, which is being developed in phases. The CIP will be implemented over time to correspond to the phases of residential development in the District. Table 1 reflects the current development plan for the District:

TABLE 1: PRODUCT TYPES

MASTER DEVELOPMENT

Description	Unit Count
<i>Twin Villas</i>	166
<i>Single Family Detached</i>	
40'-49'	127
50'-59'	222
60' - 69'	158
90'	60
<i>Condos</i>	144
TOTAL	877

2026 CIP (N1 Only)

Description	Unit Count
<i>Twin Villas</i>	60
<i>Single Family Detached</i>	
40'-49'	30
50'-59'	64
60' - 69'	57
90'	28
<i>Condos</i>	0
TOTAL	239

The District is proposing the issuance of its Capital Improvement Revenue Bonds, Series 2026 (the “2026 Bonds”) to acquire from the Developer eligible portions of the 2026 Project. Any portion of the CIP acquired from the Developer by the District and not paid for by the District with proceeds of the 2026 Bonds may be funded by bonds issued by the District in the future (the “Future Bonds”).

The Developer will fund and construct the portions of the 2026 Project not funded by proceeds of the 2026 Bonds and any Future Bonds.

Portions of the 2026 Project described in this report are currently under construction. Cost estimates for components of the 2026 Project not yet completed contained in this report have been prepared based on current contract unit prices and pay requests where available. These estimates may not reflect final payment amounts. Actual costs will vary based upon the final contract amount. Nevertheless, all costs contained herein, are reasonable estimates to complete the 2026 Project based on current market conditions.

2026 Project

The 2026 Project includes infrastructure improvements currently under construction that will provide special benefit to the first 239 platted lots within the District. In particular, the 2026 Project includes public CIP improvements inside and outside the boundaries of the District, contingency and soft costs such as allocable professional fees and permitting costs. Said improvements are within the categories of public improvements initially described in the Master Engineer's Report. With proper operation and maintenance, the reasonably expected average life of the 2026 Project is at least 20 years.

The estimated total cost of the 2026 Project is \$20,877,629.04. Refer to **Table 3** for a summary of the costs by infrastructure category for information regarding the 2026 Project. The 2026 Project does not include improvements that give rise to impact fee credits or that are subject to oversizing arrangements required by Sarasota County. All proceeds of the 2026 Bonds are anticipated to be fully expended by the end of 2026, but not later than three years from the date of issuance of the 2026 Bonds, on a portion or all of the costs of the 2026 Project.

The CIP infrastructure in the 2026 Project is summarized and described as follows:

Landscaping and Walls

Entry landscaping, irrigation, perimeter walls for sound abatement and related lighting within what is identified as a CDD Landscape Buffer will be owned and maintained by the District. Walls for sound abatement will be located in a buffer easement and/or tract adjacent to CDD Roadways. Such infrastructure, to the extent that it is located in right-of-ways owned by the County, will be maintained pursuant to a right-of-way agreement to be entered into with the County. All other landscaping, hardscape, screen walls, and lighting is to be considered private and shall be funded by the Developer and maintained by the Homeowner's Association. CDD landscape buffers will either be in a tract to be deeded to the District and/or a perpetual easement will be provided for the District to own, install, operate, maintain, repair, and replace the District's improvements.

Water Distribution System

The District lies within the Englewood Water District service area with potable water service to be provided by the Englewood Water District and its existing infrastructure in the area.

The water distribution systems constructed and to be constructed as part of the 2026 Project lie within the boundaries of the District and consist of 12", 10", 8", 6" and 4" water mains with appurtenant fittings, valves and fire hydrants. The water distribution system included in the 2026 Project will be dedicated to the Englewood Water District for ownership, operation, and maintenance.

Wastewater System

The District falls within the Englewood Water District utility service area with wastewater treatment service to be provided by the Englewood Water District and its existing infrastructure in the area. The portion of the District's onsite sanitary sewer system included in the 2026 Project lies within the boundaries of the District and consists of 8" gravity sewer collection lines with appurtenant manholes, a lift station and 8", 6" and 4" force mains with appurtenant fittings.

The wastewater collection systems included in the 2026 Project will be dedicated to the Englewood Water District for ownership, operation and maintenance.

Reclaimed Water Distribution System

The District lies within the Englewood Water District service area with reclaimed water service to be provided by the Englewood Water District and its existing infrastructure in the area.

The reclaimed water distribution systems constructed and to be constructed as part of the 2026 Project lie within the boundaries of the District and consist of 10", 8", 6" and 4" reclaimed water mains with appurtenant fittings and valves. The reclaimed water distribution system included in the 2026 Project will be dedicated to the Englewood Water District for ownership, operation and maintenance.

Stormwater Management

Sarasota County and SWFWMD regulate the design criterion for the stormwater management system within the District. The pre-development site runoff and water management conditions have been developed by Sarasota County and SWFWMD. The existing, onsite, naturally occurring wetlands have been delineated by SWFWMD and the Sarasota County Environmental Resources Department.

The stormwater collection and outfall systems included in the 2026 Project will be a combination of drainage inlets, pipes/culverts, and control structures.

The District will finance, own, operate and maintain the portion of the stormwater system included in the 2026 Project, with the exception that Sarasota County and the Florida Department of Transportation will own, operate and maintain the inlets and storm sewer systems within Sarasota County and State rights-of-way, respectively.

NOTE: None of the stormwater collection and outfall systems included in the CIP will be located within the above ground portions of private roadways. No private earthwork is included in the CIP. Accordingly, the District will not fund any costs of mass grading of lots, and lake excavation for stormwater ponds within the CIP includes only the portion from the normal water level to the depth required to meet water quality criteria set forth by the SWFWMD. Moreover, the purpose of the lakes is to manage stormwater, with any use of such water for irrigation on private lots being incidental to that purpose. Further, all lakes included in the CIP will be constructed in accordance with the applicable requirements of governmental authorities with jurisdiction over lands in the District and not for the purpose of creating fill for private property. Additionally, all improvements within the District-funded stormwater management plan will be located on

publicly owned land or within public easements or public rights-of-way. Finally, it is less expensive to allow the developer of the land in the District to use any excess fill generated by construction of the improvements in the stormwater system than to haul such fill off-site.

Environmental Preservation & Mitigation

Environmental Preservation and Mitigation included as part of the 2026 Project includes onsite conservation areas in order to offset wetland impacts associated with the construction of the development and to provide a drainage function. The District will be responsible for the design, permitting, construction, maintenance, and government reporting of on-site conservation areas. These costs (excluding maintenance and reporting costs) are included within the CIP.

CDD Roadways

Currently, the developer of the land within the District (the “Developer”) anticipates that it will finance the internal roads, gate them, and turn them over to a homeowner’s association for ownership, operation and maintenance. As a result, the District will be limited to financing only utilities, conservation and stormwater improvements behind such gated areas and no CDD Roadways are included in the 2026 Project. Streetlights for the internal roadways may be provided by the CDD but would not be funded from the 2026 Bonds. Only O&M costs would be funded by the CDD.

Off-Site Improvements

Off-site Improvements include the West Villages Parkway extension and turn lanes, utility crossings and extensions, including landscaping, drainage, sanitary, water, irrigation, grading, materials testing and professional fees. The offsite improvements will be dedicated to the West Villages Improvement District for ownership, operation and maintenance.

Contingency

The estimated costs of the 2026 Project include a contingency for those components of the 2026 Project described above for which contracts have not yet been finalized, to accommodate for potential cost increases. See **Table 3**.

Professional Fees

Professional fees allocable to the 2026 Project include civil engineering, costs for site design, permitting, inspection and master planning, survey costs for construction staking and record drawings as well as preparation of preliminary and final plats, geotechnical cost for pre-design soil borings, under drain analysis and construction testing and landscape architecture costs. Also included in this category are fees associated with environmental consultation and permitting and legal fees.

PERMITS/PLATS

All necessary permits for the construction of CIP have been obtained and include the following:

TABLE 2: PERMIT REFERENCE

Permit Name	Phase	Assigned To	Agency	OR Book / Page / Reference #	Status
GDP Zoning	Entire Project	Taylor Morrison	Sarasota	Rezone Petition No. 22-50; Ord. No. 2023-019	Approved
Development Review Committee (DRC) Plan	Neighborhood 1&2	Taylor Morrison	Sarasota		Approved
Development Review Committee (DRC) Plan Rev1	Neighborhood 1&2	Taylor Morrison	Sarasota		Approved
FDEP 404 NPR Permit	Neighborhood 1&2	Taylor Morrison	FDEP	431649-001 NPR	Approved
Subdivision Construction Plans	Neighborhood 1&2	Taylor Morrison	Sarasota	LDS-DEVSUB-24-000037	Approved
Subdivision Construction Plans Modification	Neighborhood 1&2	Taylor Morrison	Sarasota	LDS-DEVSUB-24-000037.001	Approved
ERP Individual Construction	Neighborhood 1&2	Taylor Morrison	SWFWMD	43017770.006	Approved
ERP Minor Mod	West Villages Pkwy	West Villages Improvement District	SWFWMD	43032522.151	Approved
Construction Plans	West Villages Pkwy	West Villages Improvement District	City of North Port	PSDP-24-00000065	Approved
Gopher Tortoise Permit	Neighborhood 1&2	Taylor Morrison	FFWCC	GTT-25-00093	Approved
Off-site Utility Construction Plans	Neighborhood 1&2	Taylor Morrison	Sarasota	ROW-24-000487	Approved
Englewood Water District (EWD) Utility Permit	Neighborhood 1&2	Taylor Morrison	EWD		Approved
FDEP Potable Water Permit	Neighborhood 1&2	Taylor Morrison	FDEP / Sarasota	0128133-166-DSGP	Approved
Englewood Water District (EWD) Utility Permit Mod	Neighborhood 1&2	Taylor Morrison	EWD		Approved
FDEP Potable Water Permit (Alt. Water Main)	Neighborhood 1&2	Taylor Morrison	FDEP / Sarasota	0128133-168-DSGP	Approved
FDEP Potable Water Permit (West Villages Pkwy)	West Villages Pkwy	Taylor Morrison	FDEP / Sarasota	0208589-305-DSGP	Approved
FDEP Wastewater Permit	Neighborhood 1&2	Taylor Morrison	FDEP / Sarasota	CS58-458908	Approved
County Wastewater Permit	Neighborhood 1&2	Taylor Morrison	FDEP / Sarasota	WW-CON-25-0024	Approved

Platting for Neighborhood One and Two is underway and is anticipated to be recorded in the first quarter of 2026.

SUMMARY AND CONCLUSION

The public infrastructure and improvements included in the 2026 Project, as outlined above, are necessary for the functional development of the residential development planned for the District as required by the applicable independent units of local government. The planning and design of the infrastructure is in accordance with current governmental regulatory requirements. The infrastructure will provide its intended function so long as the construction is in substantial compliance with the design and permits. The platting, design and permitting of the site plan are ongoing at this time and there is no reason to believe such permitting will not be obtained.

Items of construction in this report are based on current contract unit prices and current plan quantities for the infrastructure construction as shown on the master plans, conceptual plans, construction drawings and specifications, last revisions. It is the professional opinion of Atwell, LLC that the estimated infrastructure costs provided herein for the District improvements are reasonable to complete the construction of the infrastructure described herein and that these infrastructure improvements will benefit and add value to all lands within the District. All such infrastructure costs are public improvements or community facilities as set forth in Section 190.012(1) of the Florida Statutes. Further, the CIP, including the 2026 Project and any portion of the CIP funded by Future Bonds, functions as a system of improvements benefitting all existing and planned residential development within the District.

The infrastructure total construction cost developed in this report is only an estimate and not a guaranteed maximum price. The labor market, costs of equipment and materials, and the actual construction processes frequently vary and cannot be accurately forecasted. Due to this inherent opportunity for fluctuation in cost, the total final cost may be more or less than this estimate.

The professional services for establishing the opinion of estimated construction cost are consistent with the degree and care and skill exercised by members of the same profession under similar circumstances.

All of the improvements comprising the CIP are required by applicable development approvals issued pursuant to Section 380.06, Florida Statutes.

Victor Barbosa, P.E.

District Engineer

FL Registration No.: 58548

Table 3: CIP Cost Table

No.	Facility	2026 Project
1	Exterior Landscaping & Hardscape	\$ 1,750,000.00
2	Subdivision Potable Water System	\$ 2,254,823.80
3	Subdivision Wastewater System	\$ 2,655,582.20
4	Irrigation Facilities	\$ 2,231,765.78
5	Storm Water Facilities	\$ 5,542,987.00
6	Environmental Preservation & Mitigation	\$ 100,000.00
7	Off-Site Utilities	\$ 3,036,458.60
8	Off-Site Road Construction	\$ 1,876,124.56
9	CDD Roadways	\$ -
10	Electrical / Street Lights	\$ -
11	Municipal Fees & Permits	\$ 150,000.00
12	Subtotal (Improvements Benefiting All Units)	\$ 19,597,741.94
13	Contingency (5%)	\$ 979,887.10
14	Professional Fees	\$ 300,000.00
15	Total Improvements	\$ 20,877,629.04

NOTES:

1. The developer reserves the right to finance any of the improvements outlined above, and have such improvements owned and maintained by a property owner's or homeowner's association, in which case such items would not be part of the CIP.
2. The District may enter into an agreement with a third-party, or an applicable property owner's or homeowner's association, to maintain any District-owned improvements, subject to the approval of the District's bond counsel.

Exhibit B: Final Supplemental Special Assessment Methodology - Series 2026 Bonds

TO BE PROVIDED

**EXHIBIT A
LEGAL DESCRIPTION**

SKETCH OF DESCRIPTION

Section 16 , Township 40 South, Range 20 East

DESCRIPTION: Manatee County, Florida

COMMENCE AT THE NORTHWEST CORNER OF SECTION 16, TOWNSHIP 40 SOUTH, RANGE 20 EAST, SAID POINT ALSO BEING THE POINT OF BEGINNING; THENCE S.89°20'21"E., ALONG THE NORTH LINE OF THE NORTHWEST 1/4 OF SAID SECTION 16, A DISTANCE OF 2642.48 FEET TO THE NORTH 1/4 CORNER OF SAID SECTION 16; THENCE S.89°21'05"E., ALONG THE NORTH LINE OF THE NORTHEAST 1/4 OF SAID SECTION 16, A DISTANCE OF 2642.62 FEET; THENCE S.00°29'34"W., ALONG THE EAST LINE OF SAID NORTHEAST 1/4, A DISTANCE OF 2647.51 FEET; THENCE S.00°59'22"W., ALONG THE EAST LINE OF THE SOUTHEAST 1/4 OF SAID SECTION 16 A DISTANCE OF 2390.44 FEET TO THE INTERSECTION WITH THE NORTHWESTERLY LINE OF A RIGHT OF WAY TAKING DESCRIBED AND RECORDED IN OFFICIAL RECORDS INSTRUMENT NUMBER 2001037642 OF THE PUBLIC RECORDS OF SARASOTA COUNTY, FLORIDA; THENCE S.45°56'50"W., ALONG SAID NORTHWESTERLY LINE, A DISTANCE OF 363.47 FEET TO THE INTERSECTION WITH THE SOUTH LINE OF SAID SOUTHEAST 1/4; THENCE N.89°07'28"W., ALONG SAID SOUTHEAST 1/4, A DISTANCE OF 1563.51 FEET; THENCE N00°19'07"E., A DISTANCE OF 286.89 FEET; THENCE S76°58'20"W., A DISTANCE OF 427.29 FEET; THENCE S00°52'26"W., A DISTANCE OF 184.20 FEET TO THE INTERSECTION WITH SAID SOUTH LINE; THENCE N.89°07'28"W., A DISTANCE OF 406.36 FEET; THENCE N.89°08'42"W., ALONG THE SOUTH LINE OF THE SOUTHWEST 1/4 OF SAID SECTION 16, A DISTANCE OF 2642.12 FEET; THENCE N.00°44'13"E., ALONG THE WEST LINE OF SAID SOUTHWEST 1/4, A DISTANCE OF 2638.22 FEET; THENCE N.00°46'23"E., ALONG THE WEST LINE OF SAID NORTHWEST 1/4, A DISTANCE OF 1519.94 FEET; THENCE N.71°45'30"W., A DISTANCE OF 256.95 FEET TO THE BEGINNING OF A NON-TANGENT CURVE TO THE RIGHT HAVING A RADIUS OF 1000.00 FEET, A CHORD WHICH BEARS N.63°08'49"W. 299.47 FEET, AND A CENTRAL ANGLE OF 171°3'23"; THENCE NORTHWESTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 300.60 FEET; THENCE N.54°32'07"W., A DISTANCE OF 96.77 FEET; THENCE N.35°27'53"E., A DISTANCE OF 935.32 FEET TO THE BEGINNING OF A NON-TANGENT CURVE TO THE RIGHT HAVING A RADIUS OF 2065.79 FEET, A CHORD WHICH BEARS N.36°51'28"E. 104.07 FEET, AND A CENTRAL ANGLE OF 02°53'12"; THENCE NORTHEASTERLY ALONG THE ARC OF SAID CURVE, A DISTANCE OF 104.08 FEET TO THE POINT OF BEGINNING, BEING AND LYING IN SECTION 16, TOWNSHIP 40 SOUTH, RANGE 20 EAST, SARASOTA COUNTY, FLORIDA,

LESS AND EXCEPT LANDS DESCRIBED IN OFFICIAL RECORDS INSTRUMENT NUMBER 2014059615 OF THE PUBLIC RECORDS OF SARASOTA COUNTY BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCE AT THE SOUTHEAST CORNER OF SECTION 16, TOWNSHIP 40 SOUTH, RANGE 20 EAST, SARASOTA COUNTY, FLORIDA; THENCE N 00°59'22" E, FOR 500.00 FEET; THENCE N 50°11'27" W FOR 586.96 FEET TO THE POINT OF BEGINNING; THENCE N.50°00'09"W., A DISTANCE OF 214.99 Feet; THENCE N.09°58'49"E., A DISTANCE OF 429.64 Feet; THENCE N.29°00'54"W., A DISTANCE OF 1180.51 Feet; THENCE N.09°57'59"E., A DISTANCE OF 237.61 Feet; THENCE N.23°12'00"E., A DISTANCE OF 164.71 Feet; THENCE N.09°04'37"E., A DISTANCE OF 709.72 Feet; THENCE N.40°10'44"W., A DISTANCE OF 34.77 Feet; THENCE N.36°28'46"W., A DISTANCE OF 812.30 Feet; THENCE N.85°44'47"W., A DISTANCE OF 208.21 Feet; THENCE N.57°01'29"W., A DISTANCE OF 1005.88 Feet; THENCE S.58°58'31"W., A DISTANCE OF 161.12 Feet; THENCE CONTINUE Southwesterly ALONG SAID LINE, A DISTANCE OF 313.88 Feet; THENCE S.01°01'07"E., A DISTANCE OF 969.95 Feet; THENCE S.38°01'34"E., A DISTANCE OF 995.08 Feet; THENCE S.33°58'18"W., A DISTANCE OF 484.98 Feet; THENCE N.69°01'32"W., A DISTANCE OF 470.17 Feet; THENCE N.66°01'26"W., A DISTANCE OF 949.99 Feet; THENCE N.89°00'30"W., A DISTANCE OF 369.79 Feet; THENCE S.49°57'47"W., A DISTANCE OF 870.34 Feet; THENCE S.00°58'04"W., A DISTANCE OF 224.93 Feet; THENCE S.19°36'48"E., A DISTANCE OF 51.13 Feet; THENCE N.79°23'57"E., A DISTANCE OF 200.90 Feet; THENCE S.87°00'42"E., A DISTANCE OF 170.04 Feet; THENCE N.80°58'13"E., A DISTANCE OF 610.09 Feet; THENCE S.85°02'00"E., A DISTANCE OF 673.73 Feet; THENCE S.00°06'19"W., A DISTANCE OF 703.09 Feet; THENCE S.07°57'52"W., A DISTANCE OF 68.55 Feet; THENCE S.39°02'03"E., A DISTANCE OF 829.81 Feet; THENCE S.57°01'24"E., A DISTANCE OF 790.05 Feet; THENCE N.76°58'37"E., A DISTANCE OF 658.19 Feet; THENCE N.73°05'18"E., A DISTANCE OF 48.67 Feet; THENCE S.29°49'28"E., A DISTANCE OF 137.61 Feet; THENCE S.66°55'10"E., A DISTANCE OF 70.24 Feet; THENCE N.70°34'51"E., A DISTANCE OF 77.13 Feet; THENCE N.48°06'17"E., A DISTANCE OF 140.16 Feet; THENCE N.86°06'39"E., A DISTANCE OF 108.08 Feet; THENCE N.61°43'58"E., A DISTANCE OF 172.48 Feet; THENCE S.42°23'41"E., A DISTANCE OF 24.97 Feet TO THE BEGINNING OF A NON-TANGENT CURVE TO THE left HAVING A RADIUS OF 2100.00 Feet, A CHORD WHICH BEARS N.41°39'25"E. 435.03 Feet, AND A CENTRAL ANGLE OF 11°53'26"; THENCE Northeasterly ALONG THE ARC OF SAID CURVE, A DISTANCE OF 435.81 Feet TO THE POINT OF BEGINNING, SUBJECT TO PERTINENT EASEMENTS, RIGHTS OF WAY, AND RESTRICTIONS OF RECORD, IF ANY,

CONTAINING 19361790 SQUARE FEET OR 444.49 ACRES, MORE OR LESS.

NOTES:

1. BEARINGS ARE BASED ON THE NORTH LINE OF THE NORTHWEST 1/4 OF SECTION 16 BEING N.89°20'21"E.
2. NOT VALID WITHOUT THE ORIGINAL SIGNATURE AND SEAL OF A FLORIDA LICENSED SURVEYOR AND MAPPER. THE SEAL APPEARING ON THIS DOCUMENT WAS AUTHORIZED BY DALTON R. CROSS, P.S.M.
3. THIS DESCRIPTION IS NOT COMPLETE WITHOUT THE SKETCH.
4. THIS SKETCH IS NOT A SURVEY.

PREPARED FOR:

REVISIONS:



CERTIFICATE OF AUTHORIZATION LB 0007832
8813 STATE ROAD 70 EAST, BRADENTON, FLORIDA 34203
(941) 748-8340 (941) 896-9938 FAX

[Signature]
DALTON R. CROSS, PSM. No. 7329

SHEET 1 OF 3	Scale: 1"= NONE	Drawn by: DRC	FB/PG: NONE	DATE: 09/23/2024
				JOB: NA

Drawing name: H:\Land_Projects\MYAKKA PINES\Jung WELLEN PARK CDD S&D.dwg 8.5X11 (1) Sep 25, 2024 8:05am by: dcross

0725-010

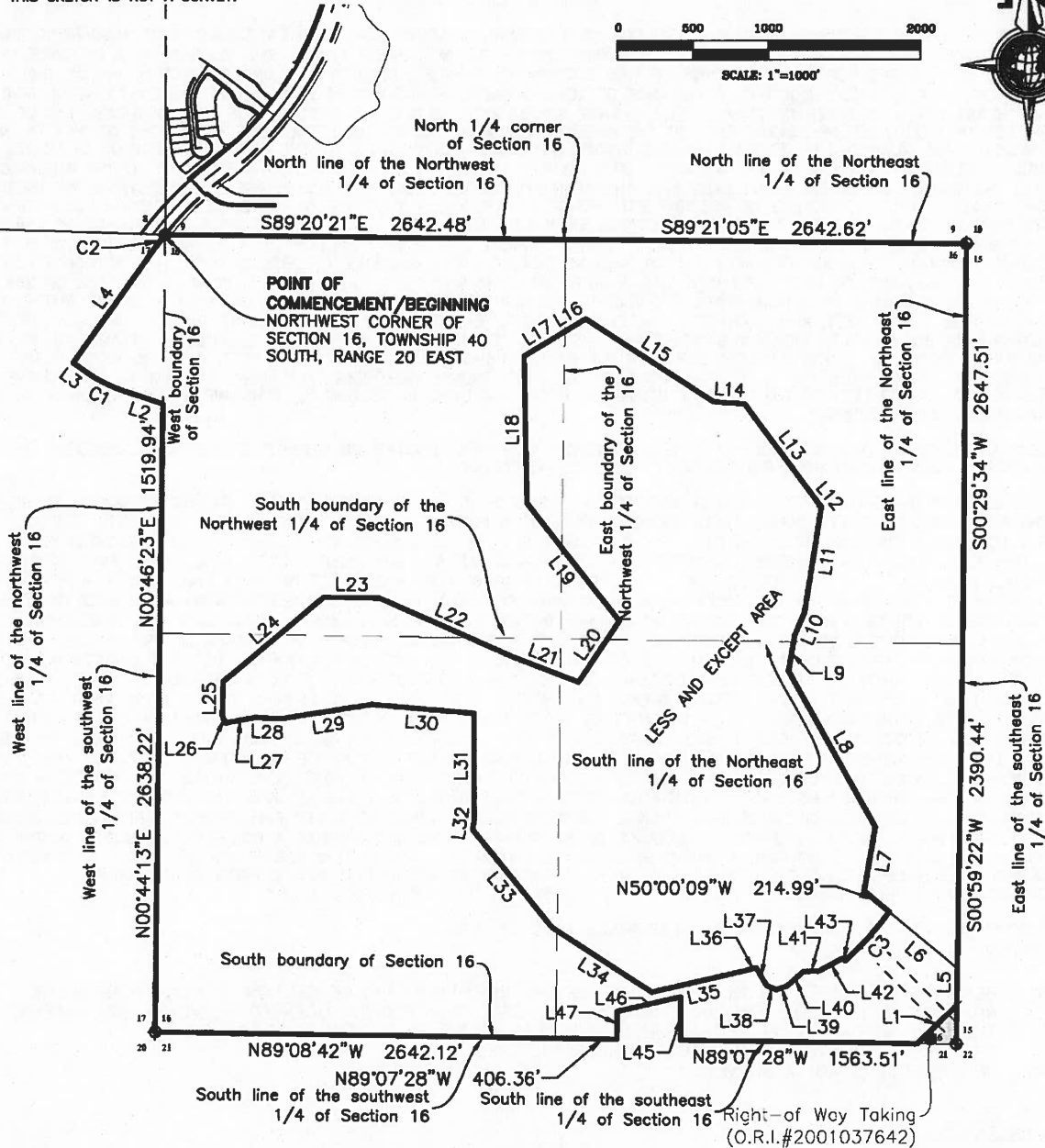
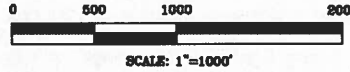
NOTES:

1. BEARINGS ARE BASED ON THE NORTH LINE OF THE NORTHWEST 1/4 OF SECTION 16 BEING N.89°20'21"E.
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3. THIS DESCRIPTION IS NOT COMPLETE WITHOUT THE SKETCH.
4. THIS SKETCH IS NOT A SURVEY.

SKETCH OF DESCRIPTION

Section 16 , Township 40 South, Range 20 East
Sarasota County, Florida

ASSUMED



Drawing name: H:\Land_Projects\MIYAKKA PINES\dwg\MELLEN PARK CDD S&D.dwg 8.5X11 (2) Sep 25, 2024 8:00am by dcross

REVISIONS:



CERTIFICATE OF AUTHORIZATION LB 0007832
6813 STATE ROAD 70 EAST, BRADENTON, FLORIDA 34203
(941) 748-8340 (941) 696-8538 FAX

[Signature]
DALTON R. CROSS, P.S.M. No. 7329

SHEET 2 OF 3	Scale: 1" = 1000'	Drawn by: DRC	FB/PG: NONE	DATE: 09/23/2024
				JOB: NA

2025-010

NOTES:

1. BEARINGS ARE BASED ON THE NORTH LINE OF THE NORTHWEST 1/4 OF SECTION 16 BEING N.89°20'21"E.
2. NOT VALID WITHOUT THE ORIGINAL SIGNATURE AND SEAL OF A FLORIDA LICENSED SURVEYOR AND MAPPER.
3. THE SEAL APPEARING ON THIS DOCUMENT WAS AUTHORIZED BY DALTON R. CROSS, P.S.M.
3. THIS DESCRIPTION IS NOT COMPLETE WITHOUT THE SKETCH.
4. THIS SKETCH IS NOT A SURVEY.

SKETCH OF DESCRIPTION

Section 16 , Township 40 South, Range 20 East
Sarasota County, Florida

Curve Table

Curve #	Length	Radius	Delta	Chord Direction	Chord Length
C1	300.60	1000.00	17°13'23"	N63°08'49"W	299.47
C2	104.08	2135.00	2°47'35"	N36°51'28"E	104.07
C3	435.81	2100.00	11°53'26"	N41°39'25"E	435.03

Parcel Line Table

Line #	Direction	Length
L1	S45°56'50"W	363.47
L2	N71°45'30"W	256.95
L3	N54°32'07"W	96.77
L4	N35°27'53"E	935.32
L5	N0°59'22"E	500.00
L6	N50°11'27"W	586.96
L7	N9°58'49"E	429.64
L8	N29°00'54"W	1180.51
L9	N9°57'59"E	237.61
L10	N23°12'00"E	164.71
L11	N9°04'37"E	709.72
L12	N40°10'44"W	34.77
L13	N36°28'46"W	812.30
L14	N85°44'47"W	208.21
L15	N57°01'29"W	1005.88
L16	S58°58'31"W	161.12
L17	S58°58'31"W	313.88
L18	S1°01'07"E	969.95
L19	S38°01'34"E	995.08
L20	S33°58'18"W	484.98

Parcel Line Table

Line #	Direction	Length
L21	N69°01'32"W	470.17
L22	N66°01'26"W	949.99
L23	N89°00'30"W	369.79
L24	S49°57'47"W	870.34
L25	S0°58'04"W	224.93
L26	S19°36'48"E	51.13
L27	N79°23'57"E	200.90
L28	S87°00'42"E	170.04
L29	N80°58'13"E	610.09
L30	S85°02'00"E	673.73
L31	S0°06'19"W	703.09
L32	S7°57'52"W	68.55
L33	S39°02'03"E	829.81
L34	S57°01'24"E	790.05
L35	N76°58'37"E	658.19
L36	N73°05'18"E	48.67
L37	S29°49'28"E	137.61
L38	S66°55'10"E	70.24
L39	N70°34'51"E	77.13
L40	N48°06'17"E	140.16

Parcel Line Table

Line #	Direction	Length
L41	N86°06'39"E	108.08
L42	N61°43'58"E	172.48
L43	S42°23'41"E	24.97
L45	N0°19'07"E	286.89
L46	S76°58'20"W	427.29
L47	S0°52'26"W	184.20

Drawing name: H:\Land_Projects\MYAKKA PINES\dwg\WELLEN PARK CDD S&D.dwg 8.5X11 (3) Sep 25, 2024 8:01am by dorcas

REVISIONS:



CERTIFICATE OF AUTHORIZATION LB 0007832
6813 STATE ROAD 70 EAST, BHADENTON, FLORIDA 34203
(941) 748-8340 (941) 896-9838 FAX

[Signature]
DALTON R. CROSS, PSM. No. 7329

SHEET 3 OF 3	Scale: 1"= 1000'	Drawn by: DRC	FB/PG: NONE	DATE: 09/23/2024
				JOB: NA

0905-010

Comp. Exhibit D: Maturities and Coupon of Bonds
Sources and Uses of Funds for Bonds
Annual Debt Service Payment Due on Bonds

TO BE PROVIDED AT ISSUANCE

ACQUISITION AGREEMENT

THIS ACQUISITION AGREEMENT (“Agreement”) is made and entered into, by and between:

TAYLOR MORRISON OF FLORIDA, INC., a Florida corporation, with an address of 4900 North Scottsdale Road, Suite 2000, Scottsdale, Arizona 85251 (“**Developer**”), and

ESPLANADE AT WELLEN PARK COMMUNITY DEVELOPMENT DISTRICT, a local unit of special-purpose government established pursuant to Chapter 190, *Florida Statutes*, whose address is c/o JP Ward & Associates, LLC, 2301 Northeast 37th Street, Fort Lauderdale, Florida 33308 (“**District**”).

RECITALS

WHEREAS, the District was established by ordinance enacted by the Board of County Commissioners of Sarasota County, Florida, pursuant to the Uniform Community Development District Act of 1980, Chapter 190, *Florida Statutes*, as amended (“**Act**”), and is validly existing under the Constitution and laws of the State of Florida; and

WHEREAS, the Act authorizes the District to issue bonds for the purpose, among others, of planning, financing, constructing, and acquiring certain infrastructure, roadways, stormwater management, utilities (water & sewer), offsite improvements, landscaping/lighting, and other infrastructure within or without the boundaries of the District; and

WHEREAS, the Developer is the owner of lands within the boundaries of the District; and

WHEREAS, the District presently intends to finance the planning, design, acquisition, construction, and installation of certain infrastructure improvements, facilities, and services known as the “**Project**” and as detailed in the District’s *Engineer’s Report*, dated April, 2025 (“**Engineer’s Report**”), attached to this Agreement as **Exhibit A**; and

WHEREAS, the District intends to finance all or a portion of the Project through the use of proceeds from future special assessment bonds (“**Bonds**”); and

WHEREAS, the District has not had sufficient monies on hand to allow the District to contract directly for: (i) the preparation of the surveys, testing, reports, drawings, plans, permits, specifications, and related documents necessary to complete the Project (“**Work Product**”); or (ii) construction and/or installation of the improvements comprising the Project (“**Improvements**”); and

WHEREAS, the District acknowledges the Developer’s need to commence development of the lands within the District in an expeditious and timely manner; and

WHEREAS, in order to avoid a delay in the commencement of the development of the Work Product and/or the Improvements, the Developer has advanced, funded, commenced, and completed and/or will complete certain of the Work Product and/or Improvements; and

WHEREAS, the Developer and the District are entering into this Agreement to set forth the process by which the District may acquire the Work Product, the Improvements, and any related real

property interests (“**Real Property**”) and in order to ensure the timely provision of the infrastructure and development.

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 District and the Developer agree as follows:

1. INCORPORATION OF RECITALS. The recitals stated above are true and correct and by this reference are incorporated as a material part of this Agreement.

2. ADVANCED FUNDING. Prior to the issuance of the Bonds, the Developer may elect to make available to the District such monies as are necessary to enable the District to proceed with, and expedite, the design, engineering, and construction of the Project. The funds (“**Advanced Funds**”) shall be placed in the District's depository as determined by the District, and shall be repaid to the Developer solely from available proceeds of the Bonds, subject to the terms of this Agreement. The District shall individually account for costs incurred and Advanced Funds expended in connection with the Project.

3. WORK PRODUCT AND IMPROVEMENTS. The parties agree to cooperate and use good faith and best efforts to undertake and complete the acquisition process contemplated by this Agreement on such date or dates as the parties may jointly agree upon (each, an “**Acquisition Date**”). Subject to any applicable legal requirements (e.g., but not limited to, those laws governing the use of proceeds from tax exempt bonds), and the requirements of this Agreement, the District agrees to acquire completed Work Product and Improvements that are part of the Project.

- a. ***Request for Conveyance and Supporting Documentation*** – When Work Product or Improvements are ready for conveyance by the Developer to the District, the Developer shall notify the District in writing, describing the nature of the Work Product and/or Improvement and estimated cost. Additionally, Developer agrees to provide, at or prior to the applicable Acquisition Date, the following: (i) documentation of actual costs paid, (ii) instruments of conveyance such as bills of sale or such other instruments as may be requested by the District, and (iii) any other releases, warranties, indemnifications or documentation as may be reasonably requested by the District.
- b. ***Costs*** – Subject to any applicable legal requirements (e.g., but not limited to, those laws governing the use of proceeds from tax exempt bonds), the availability of proceeds from the Bonds, and the requirements of this Agreement, the District shall pay the lesser of (i) the actual cost of creation/construction of the Work Product or Improvements, and (ii) the fair market value of the Work Product or Improvements. The Developer shall provide copies of any and all invoices, bills, receipts, or other evidence of costs incurred by the Developer for any Work Product and/or Improvements. The District Engineer shall review all evidence of cost and shall certify to the District’s Board of Supervisors (“**Board**”) whether the cost being paid is the lesser of (i) the actual cost of creation/construction of the Work Product or Improvements, and (ii) the fair market value of the Work Product or Improvements. The District Engineer’s opinion as to cost shall be set forth in an Engineer’s Certificate which shall accompany the requisition for the funds from the District’s Trustee for the Bonds (“**Trustee**”).

- c. **Conveyances on “As Is” Basis.** Unless otherwise agreed, all conveyances of Work Product and/or Improvements shall be on an “as is” basis. That said, the Developer agrees to assign, transfer and convey to the District any and all rights the Developer may have against any and all firms or entities which may have caused any latent or patent defects, including, but not limited to, any and all warranties and other forms of indemnification.

- d. **Right to Rely on Work Product and Releases** – The Developer agrees to release to the District all right, title, and interest which the Developer may have in and to any Work Product conveyed hereunder, as well as all common law, statutory, and other reserved rights, including all warranties and copyrights in the Work Product and extensions and renewals thereof under United States law and throughout the world, and all publication rights and all subsidiary rights and other rights in and to the Work Product in all forms, mediums, and media, now known or hereinafter devised. To the extent determined necessary by the District, the Developer shall reasonably obtain all releases from any professional providing services in connection with the Work Product to enable the District to use and rely upon the Work Product. The District agrees to allow the Developer access to and use of the Work Product without the payment of any fee by the Developer. However, to the extent the Developer’s access to and use of the Work Product causes the District to incur any cost or expense, such as copying costs, the Developer agrees to pay such cost or expense.

- e. **Transfers to Third Party Governments; Payment for Transferred Property** – If any item acquired is to be conveyed to a third-party governmental body, then the Developer agrees to cooperate and provide such certifications, documents, bonds, warranties, and/or forms of security as may be required by that governmental body, if any. Further, the Developer shall make reasonable efforts to first transfer such Work Product and/or Improvements to the District pursuant to the terms of this Agreement, and prior to the transfer of such Work Product and/or Improvements to the third-party governmental entity. Regardless, and subject to the terms of this Agreement, any transfer, dedication, conveyance or assignment of such Work Product and/or Improvements directly to a third-party governmental entity prior to the District’s acquisition of the Work Product and/or Improvements shall be deemed a transfer to the District of such Work Product and/or Improvements and then a re-transfer to the third party governmental entity.

- f. **Permits** – The Developer agrees to cooperate fully in the transfer of any permits to the District or a governmental entity with maintenance obligations for any Improvements conveyed pursuant to this Agreement.

- g. **Engineer’s Certification** – The District shall accept any completed Work Product and/or Improvements where the District Engineer (or other consulting engineer reasonably acceptable to the District), in his/her professional opinion, is able to certify that, in addition to any other requirements of law: (i) the Work Product and/or Improvements are part of the Project; (ii) the price for such Work Product and/or Improvements did not exceed the lesser of the cost of creating the Work Product and/or Improvements or the fair market value of the Work Product and/or

Improvements; (iii) as to Work Product, the Work Product is capable of being used for the purposes intended by the District, and, as to any Improvements, the Improvements were installed in accordance with their specifications, and are capable of performing the functions for which they were intended; and (iv) as to any Improvements, all known plans, permits and specifications necessary for the operation and maintenance of the Improvements are complete and on file with the District, and have been transferred, or are capable of being transferred, to the District for operations and maintenance responsibilities.

4. CONVEYANCE OF REAL PROPERTY. The Developer agrees that it will convey to the District at or prior to the applicable Acquisition Date as determined solely by the District, by a special warranty deed or other instrument acceptable to the Board together with a metes and bounds or other description, the Real Property upon which any Improvements are constructed or which are necessary for the operation and maintenance of, and access to, the Improvements.

- a. **Cost.** The parties agree that all Real Property shall be provided to the District at no cost, unless (i) the costs for the Real Property are expressly included as part of the Project, as described in the Engineer's Report, and (ii) the purchase price for the Real Property is the lesser of the appraised value of the Real Property, based on an appraisal obtained by the District for this purpose, or the cost basis of the Real Property to the Developer.
- b. **Fee Title and Other Interests** – The District may determine in its reasonable discretion that fee title for Real Property is not necessary and in such cases shall accept such other interest in the lands upon which the Improvements are constructed as the District deems acceptable.
- c. **Developer Reservation** – Any conveyance of Real Property hereunder by special warranty deed or other instrument shall be subject to a reservation by Developer of its right and privilege to use the area conveyed to construct any Improvements and any future improvements to such area for any related purposes (including, but not limited to, construction traffic relating to the construction of the Development) not inconsistent with the District's use, occupation or enjoyment thereof.
- d. **Fees, Taxes, Title Insurance** – The Developer shall pay the cost for recording fees and documentary stamps required, if any, for the conveyance of the lands upon which the Improvements are constructed. The Developer shall be responsible for all taxes and assessments levied on the lands upon which the Improvements are constructed until such time as the Developer conveys all said lands to the District. At the time of conveyance, the Developer shall provide, at its expense, an owner's title insurance policy or other evidence of title in a form satisfactory to the District.
- e. **Boundary Adjustments** – Developer and the District agree that reasonable future boundary adjustments may be made as deemed necessary by both parties in order to accurately describe lands conveyed to the District and lands which remain in Developer's ownership. The parties agree that any land transfers made to accommodate such adjustments shall be accomplished by donation. However, the party requesting such adjustment shall pay any transaction costs resulting from the

adjustment, including but not limited to taxes, title insurance, recording fees or other costs. Developer agrees that if a court or other governmental entity determines that a re-platting of the lands within the District is necessary, Developer shall pay all costs and expenses associated with such actions.

5. TAXES, ASSESSMENTS, AND COSTS.

- a. *Taxes and Assessments on Property Being Acquired.*** The District is an exempt governmental unit acquiring property pursuant to this Agreement for use exclusively for public purposes. Accordingly, in accordance with Florida law, the Developer agrees to place in escrow with the County tax collector an amount equal to the current ad valorem taxes and non-ad valorem assessments (with the exception of those ad valorem taxes and non-ad valorem assessments levied by the District) prorated to the date of transfer of title, based upon the expected assessment and millage rates giving effect to the greatest discount available for early payment.
- i.** If and only to the extent the property acquired by the District is subject to ad valorem taxes or non-ad valorem assessments, the Developer agrees to reimburse the District for payment, or pay on its behalf, any and all ad valorem taxes and non-ad valorem assessments imposed during the calendar year in which each parcel of property is conveyed.
 - ii.** Nothing in this Agreement shall prevent the District from asserting any rights to challenge any taxes or assessments imposed, if any, on any property of the District.
- b. *Notice.*** The parties agree to provide notice to the other within thirty (30) calendar days of receipt of any notice of potential or actual taxes, assessments, or costs, as a result of any transaction pursuant to this Agreement, or notice of any other taxes, assessments, or costs imposed on the property acquired by the District as described in subsection a. above. The Developer covenants to make any payments due hereunder in a timely manner in accord with Florida law. In the event that the Developer fails to make timely payment of any such taxes, assessments, or costs, the Developer acknowledges the District's right to make such payment. If the District makes such payment, the Developer agrees to reimburse the District within thirty (30) calendar days of receiving notice of such payment, and to include in such reimbursement any fees, costs, penalties, or other expenses which accrued to the District as a result of making such a payment, including interest at the maximum rate allowed by law from the date of the payment made by the District.
- c. *Tax liability not created.*** Nothing herein is intended to create or shall create any new or additional tax liability on behalf of the Developer or the District. Furthermore, the parties reserve all respective rights to challenge, pay under protest, contest or litigate the imposition of any tax, assessment, or cost in good faith they believe is unlawfully or inequitably imposed and agree to cooperate in good faith in the challenge of any such imposition.

6. ACQUISITIONS AND BOND PROCEEDS. The District may in the future, and in its sole discretion, elect to issue Bonds that may be used to finance portions of work acquired hereunder, as well as reimburse Advanced Funds. In the event that the District issues the Bonds and has bond proceeds available to pay for any portion of the Project acquired by the District, or any Advanced Funds, and subject to the terms of the applicable documents relating to the Bonds, then the District shall promptly make payment for any such acquired Work Product, Improvements or Real Property, or reimbursable Advanced Funds, pursuant to the terms of this Agreement; provided, however, that no such obligation shall exist where the Developer is in default on the payment of any debt service assessments due on any property owned by the Developer, or is in default under any agreements between the Developer and the District, or, further, in the event the District's bond counsel determines that any such acquisitions or payments for Advanced Funds are not properly compensable for any reason, including, but not limited to federal tax restrictions imposed on tax-exempt financing. Interest shall not accrue on any amounts owed for any prior acquisitions, or Advanced Funds. Unless otherwise provided in an applicable trust indenture, and in the event the District does not or cannot issue sufficient bonds within five (5) years from the date of this Agreement to pay for all acquisitions hereunder, and reimburse Advanced Funds, and, thus does not make payment to the Developer for any unfunded acquisitions, or any unreimbursed Advanced Funds, then the parties agree that the District shall have no payment or reimbursement obligation whatsoever for those unfunded acquisitions, or unreimbursed Advanced Funds. The Developer acknowledges that the District may convey some or all of the Work Product and/or Improvements described in the Engineer's Report to a general purpose unit of local government (e.g., the County) and consents to the District's conveyance of such Work Product and/or Improvements prior to any payment being made by the District.

7. CONTRIBUTIONS. In connection with the issuance of the Bonds, the District will levy debt service special assessments to secure the repayment of Bonds. As described in more detail in the District's applicable assessment reports ("**Assessment Report**"), and prior to the issuance of the Bonds, the Developer may request that such debt service special assessments be reduced for certain product types. To accomplish any such requested reduction, and pursuant to the terms of this Agreement, the Developer agrees to provide a contribution of Improvements, Work Product and/or Real Property based on appraised value, comprising a portion of the Project and to meet the minimum requirements set forth in the Assessment Report, if any. Any such contributions shall not be eligible for payment by the District hereunder.

8. IMPACT FEE CREDITS. In connection with the District's capital improvement plan, the District may finance certain infrastructure that may generate impact fee credits. As set forth in the District's assessment proceedings, and in recognition of the uncertain market for such credits, and limited value, and as consideration for the District and the Developer undertaking the transactions involved with the District's Project and financing arrangements, the District and the Developer agree that the Developer may retain any such impact fee credits, provided that the Developer contributes a corresponding amount of Improvements, Work Product and/or Real Property based on appraised value as part of the District's capital improvement plan, and/or reduces the cost of such Improvements, Work Product or Real Property to be acquired by the District by a corresponding amount of such impact fee credits, and/or prepays debt assessments on all applicable lands (as determined by the District in coordination with the District's Assessment Consultant) by a corresponding amount of such impact fee credits. Alternatively, the Developer may provide the proceeds of the impact fee credits to the District for deposit into the applicable acquisition and construction account for the Bonds, and for use in acquiring and/or constructing the Project.

9. UTILITY CONNECTION FEES. As part of the Project, the District may elect to fund certain “Utility Connection Fees” for the planned residential units related to the Project. The District will pay such Utility Connection Fees as part of the Project. Notwithstanding anything to the contrary herein, the Developer in turn will: (i) serve, at no cost to the District, as the District’s administrator with respect to the distribution of any “Utility Connection Fee Credits,” which will be available from the County due to the District’s funding of the Utility Connection Fees for the Project; (ii) collect cash payments (“Builder Credit Payments”) from the builders of the planned residential units, in exchange for providing to such builders a corresponding amount of Utility Connection Fee Credits; and (iii) either remit all Builder Credit Payments to the District for deposit into the District’s applicable Acquisition and Construction Account related to the Project and established in connection with the issuance of the Bonds, or may retain any such Builder Credit Payments, provided that the Developer contributes a corresponding amount of Work Product, Improvements or Real Property (based on appraised value) as part of the District’s Project or reduces the cost of such Improvements, Work Product or Real Property to be acquired by the District by a mutually agreed amount. In order to accomplish the foregoing, the Developer shall be entitled to file applications or other appropriate documentation from time to time with the applicable local general purpose unit of government to obtain Utility Connection Fee Credits associated with the District-funded Utility Connection Fees, without any further action of the District. In the event of any shortfall between the amount of Utility Connection Fees paid by the District, and the amount of Builder Credit Payments collected from builders, the Developer shall make a cash payment to the District in the amount of such shortfall.

10. DEFAULT. A default by either party under this Agreement shall entitle the other to all remedies available at law or in equity, which may include, but not be limited to, the right of damages and/or specific performance. Any default under an applicable trust indenture for the Bonds caused by the Developer and/or its affiliates shall be a default hereunder, and the District shall have no obligation to fund the Project in the event of such a default. Notwithstanding the foregoing, neither the District nor the Developer shall be liable for any consequential, special, indirect or punitive damages due to a default hereunder. Prior to commencing any action for a default hereunder, the party seeking to commence such action shall first provide written notice to the defaulting party of the default and an opportunity to cure such default within 30 days.

11. ATTORNEYS’ FEES AND COSTS. In the event that either party is required to enforce this Agreement by court proceedings or otherwise, then the parties agree that the prevailing party shall be entitled to recover from the other all fees and costs incurred, including reasonable attorneys’ fees and costs for trial, alternative dispute resolution, or appellate proceedings.

12. AMENDMENTS. 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 the District and the Developer.

13. AUTHORIZATION. The execution of this Agreement has been duly authorized by the appropriate body or official of the District and the Developer; both the District and the Developer have complied with all the requirements of law; and both the District and the Developer have full power and authority to comply with the terms and provisions of this instrument.

14. NOTICES. All notices, requests, consents and other communications under this Agreement (“Notices”) shall be in writing and shall be delivered, mailed by First Class Mail, postage prepaid, or overnight delivery service, to the parties, at the addresses first set forth above. Except as

otherwise provided in this Agreement, any Notice shall be deemed received only upon actual delivery at the address set forth above. Notices delivered after 5:00 p.m. (at the place of delivery) or on a non-business day, shall be deemed received on the next business day. If any time for giving Notice contained in this Agreement would otherwise expire on a non-business day, the Notice period shall be extended to the next succeeding business day. Saturdays, Sundays, and legal holidays recognized by the United States government shall not be regarded as business days. Counsel for the District and counsel for the Developer may deliver Notice on behalf of the District and the Developer, respectively. Any party or other person to whom Notices are to be sent or copied may notify the other parties and addressees of any change in name or address to which Notices shall be sent by providing the same on five (5) days written notice to the parties and addressees set forth herein.

15. ARM'S LENGTH TRANSACTION. This Agreement has been negotiated fully between the District and the Developer as an arm's length transaction. Both parties participated fully in the preparation of this Agreement and received the advice of counsel. In the case of a dispute concerning the interpretation of any provision of this Agreement, both parties are deemed to have drafted, chosen, and selected the language, and the doubtful language will not be interpreted or construed against either the District or the Developer.

16. THIRD PARTY BENEFICIARIES. This Agreement is solely for the benefit of the District and the Developer and no right or cause of action shall accrue upon or by reason, to or for the benefit of any third party not a formal party to this Agreement. Nothing in this Agreement expressed or implied is intended or shall be construed to confer upon any person or corporation other than the District and the Developer any right, remedy, or claim under or by reason of this Agreement or any of the provisions or conditions of this Agreement; and all of the provisions, representations, covenants, and conditions contained in this Agreement shall inure to the sole benefit of and shall be binding upon the District and the Developer and their respective representatives, successors, and assigns.

Notwithstanding the foregoing, the Trustee, acting at the direction of the Majority Owners of the Bonds, shall have the right to directly enforce the provisions of this Agreement. The Trustee shall not be deemed to have assumed any obligations under this Agreement. This Agreement may not be assigned or materially amended, and the Project may not be materially amended, without the written consent of the Trustee, acting at the direction of the Majority Owners of the Bonds, which consent shall not be unreasonably withheld.

17. ASSIGNMENT. Neither the District nor the Developer may assign this Agreement or any monies to become due hereunder without the prior written approval of the other.

18. APPLICABLE LAW AND VENUE. This Agreement and the provisions contained herein shall be construed, interpreted and controlled according to the laws of the State of Florida. Each party consents that the venue for any litigation arising out of or related to this Agreement shall be in the County in which the District is located.

19. PUBLIC RECORDS. The Developer understands and agrees that all documents of any kind provided to the District in connection with this Agreement may be public records and treated as such in accordance with Florida law.

20. SEVERABILITY. The invalidity or unenforceability of any one or more provisions of this Agreement shall not affect the validity or enforceability of the remaining portions of this Agreement, or any part of this Agreement not held to be invalid or unenforceable.

21. LIMITATIONS ON GOVERNMENTAL LIABILITY. Nothing in this Agreement shall be deemed as a waiver of immunity or limits of liability of the District beyond any statutory limited waiver of immunity or limits of liability which may have been adopted by the Florida Legislature in Section 768.28, *Florida Statutes*, or other law, and nothing in this Agreement shall inure to the benefit of any third party for the purpose of allowing any claim which would otherwise be barred by sovereign immunity or by other operation of law.

22. HEADINGS FOR CONVENIENCE ONLY. The descriptive headings in this Agreement are for convenience only and shall not control nor affect the meaning or construction of any of the provisions of this Agreement.

23. COUNTERPARTS. This Agreement may be executed in any number of counterparts, each of which when executed and delivered shall be an original; however, all such counterparts together shall constitute, but one and the same instrument. Signature and acknowledgment pages, if any, may be detached from the counterparts and attached to a single copy of this document to physically form one document.

[THIS SPACE INTENTIONALLY LEFT BLANK]

WHEREFORE, the parties below execute the *Acquisition Agreement* to be effective as of the 12th day of February, 2026.

**ESPLANADE AT WELLEN PARK COMMUNITY
DEVELOPMENT DISTRICT**

By: John Wollard
Its: Chairperson

TAYLOR MORRISON OF FLORIDA, INC.

By: _____
Its: _____

Exhibit A: *Engineer's Report*, dated April, 2025

**Esplanade at Wellen Park
Community Development District**

Master Engineer's Report
April 2025

Prepared for:

**Esplanade at Wellen Park
Community Development District
Sarasota County, Florida**

Prepared by:

**Victor Barbosa, P.E.
ATWELL, LLC
Tampa, FL**

Revised:

June 2025

ESPLANADE AT WELLEN PARK COMMUNITY DEVELOPMENT DISTRICT

ENGINEER'S REPORT

1. INTRODUCTION

The purpose of this report is to provide a description of the public capital improvement plan (“CIP”) and estimated costs of the public CIP, for the Esplanade at Wellen Park Community Development District (“District”). Certain costs needed to serve the development planned for within the District are shown in the table later in this report.

2. GENERAL SITE DESCRIPTION

The District is located entirely within Sarasota County, Florida, and consists of approximately 444.49 acres of land. The site is generally located north and west of S. River Road and south of West Villages Parkway and Blissby Street and the West Villages Improvement District.

3. PROPOSED CAPITAL IMPROVEMENT PLAN

The CIP is intended to provide public infrastructure improvements for the entire development. The following chart shows the planned product types for the development:

PRODUCT TYPES

Description	Unit Count	Percent of Total
<i>Twin Villas</i>	166	18.93%
<i>Single Family Detached</i>		
40'-49'	127	14.48%
50'-59'	222	25.31%
60' - 69'	158	18.02%
90'	60	6.84%
<i>Condos</i>	144	16.42%

The public infrastructure for the CIP is as follows:

Roadway Improvements:

The CIP includes subdivision roads within the District. Generally, all roads will be 2-lane un-divided roads with periodic roundabouts. Such roads include the roadway asphalt, base, and subgrade, roadway curb and gutter, striping and signage and sidewalks within rights-of-way abutting non-lot lands. Sidewalks abutting lots will be constructed by the homebuilders. All roads will be designed in accordance with applicable design requirements.

Collector roads are intended to be dedicated to a local general-purpose unit of government for ownership, operation, and maintenance, while the District anticipates owning and operating all other roads. These are referenced later in the report as “CDD Roadways.” No portions of roadways that

solely lead from public roads to private gates will be included in the portion of the CIP financed by the District's tax-exempt bonds.

Currently, the developer of the land within the District (the "Developer") anticipates that it will finance the internal roads, gate them, and turn them over to a homeowner's association for ownership, operation and maintenance (in such an event, the District would be limited to financing only utilities, conservation and stormwater improvements behind such gated areas). If any internal roads are public, the same may be funded by the District.

Stormwater Management System:

The stormwater collection and outfall system is a combination of curb inlets, pipe, control structures and open lakes designed to treat and attenuate stormwater runoff from District lands. The stormwater system will be designed consistent with the applicable design requirements for stormwater/floodplain management systems. The District will finance, own, operate and maintain the stormwater system.

NOTE: Developer Funded Stormwater/Floodplain management includes lake excavations exceeding 8' in depth, lot pad grading, road grading. The CIP includes Lake Excavation to an 8' minimum depth required by the Southwest Florida Water Management District. No private earthwork is included in the CIP. Accordingly, the District will not fund any costs of any grading of lots or the transportation of any fill to such lots. Further, all lakes included in the CIP will be constructed in accordance with the applicable requirements of governmental authorities with jurisdiction over lands in the District and not for the purpose of creating fill for private property. Additionally, all improvements within the District-funded stormwater management plan will be located on publicly owned land or within public easements or public rights-of-way. Finally, it is less expensive to allow the Developer to use any excess fill generated by construction of the improvements in the stormwater system than to haul such fill off-site.

Water, Wastewater and Reclaim Utilities:

As part of the CIP, the District intends to construct and/or acquire water, wastewater and reclaim/irrigation infrastructure. In particular, the on-site water supply improvements include water mains that will be located within rights-of-way and used for potable water service and fire protection.

Wastewater improvements for the project will include an onsite gravity collection system, offsite and onsite force main and onsite lift stations.

Similarly, the reclaim/irrigation water distribution system will be constructed to provide service for irrigation throughout the community.

The water and reclaim distribution and wastewater collection systems for all phases will be constructed and/or acquired by the District and then dedicated to a local, public utility provider for operation and maintenance. The CIP will only include laterals to the lot lines (i.e., point of connection).

With respect to any utilities that are the subject of oversizing arrangements, the allocable cost relating to oversizing will not be funded by the District.

Hardscape, Landscape, Walls and Irrigation:

The District will construct and/or install landscaping, irrigation, walls that serve a noise abatement/sound buffer function and hardscaping within District-owned common areas and public rights-of-way. The District must at least meet local design criteria requirements for planting and irrigation design.

All such landscaping, irrigation, walls and hardscaping will be owned, maintained and funded by the District. Such infrastructure, to the extent that it is located in rights-of-way owned by a local general-purpose government will be maintained pursuant to a right-of-way agreement or permit.

The irrigation demands will be served by a combination of surface water and groundwater via wells. The back-bone irrigation facilities which distribute the re-use water provided by the public County system to serve the development in the District and other portions of the County are to be owned and maintained by the District and are included in the CIP.

Any landscaping, walls or hardscaping systems behind hard-gated roads, if any, would not be financed by the District and instead would be privately installed and maintained.

Electric and Streetlights:

The District may elect to purchase, install and maintain street lights on public roadways as part of the CIP. Alternatively, the District may elect to lease streetlights through an agreement with a local utility provider, in which case it will fund the streetlights through an annual operations and maintenance assessment. Any streetlights located on private roadways would not be funded by the District.

The District may fund the incremental cost of undergrounding of electrical utility lines within public right-of-way utility easements throughout the community as part of the CIP. Any electric lines and transformers would be owned by the local utility provider and not paid for by the District as part of the CIP.

Recreational Amenities:

The Developer may construct clubhouse and other amenity facilities and, upon completion, transfer them to a homeowners' association for ownership, operation and maintenance. In such event, the amenities would be considered common elements for the exclusive benefit of the District landowners. In the event the clubhouse and other amenity facilities are open to the general public, they may be funded by the District and thereafter owned, operated and maintained by the District.

Environmental Conservation

The District will provide onsite conservation areas in order to offset wetland impacts associated with the construction of the development and to provide a drainage function. The District will be responsible for the design, permitting, construction, maintenance, and government reporting of on-site conservation areas. These costs (excluding maintenance and reporting costs) are included within the CIP.

Off-Site Improvements

Offsites include turn lanes, utility crossings and extensions, including landscaping, drainage, sanitary, water, irrigation, grading, materials testing and professional fees. The offsite improvements will be dedicated to the West Villages Improvement District for ownership, operation and maintenance.

Professional Services

The CIP also includes various professional services. These include: (i) engineering, surveying and architectural fees, (ii) permitting and plan review costs, and (iii) development/construction management services fees that are required for the design, permitting, construction, and maintenance acceptance of the public improvements and community facilities. Only the portion of these costs allocable to the District's CIP will be funded by the District.

NOTE: In the event that impact fee credits are generated from any roadway, utilities or other improvements funded by the District, the use of such credits, if any, will be addressed in an acquisition agreement between the applicable developer and the District.

Only portions of the CIP that are eligible to be funded with tax-exempt bonds will be financed by tax-exempt bonds or other obligations issued by the District.

4. PERMITTING/CONSTRUCTION COMMENCEMENT

All necessary permits for the construction of the CIP have either been obtained or are reasonably expected to be obtained in the ordinary course of development. Only the portion of the costs of these permits allocable to the District's CIP will be funded by the District.

5. CIP COST ESTIMATE / MAINTENANCE RESPONSIBILITIES

The table below presents, among other things, a cost estimate for the CIP and certain other improvements needed for the development planned within the District. Costs not eligible to be funded with tax-exempt bonds will be financed by the Developer or other private entity. Privately Funded Improvements are not included in the table below. It is our professional opinion that the costs set forth below are reasonable and consistent with market pricing.

CIP COST ESTIMATE

Improvement	Public Costs (CIP)	Operation & Maintenance Entity
Fees and Permits	\$6,306,002	CDD
Conservation Areas	\$329,940	CDD
Irrigation (Reclaimed)	\$4,027,385	Englewood Water District
Perimeter Hardscaping, Landscaping and Irrigation	\$6,614,300	CDD
Entry Features	\$1,937,250	CDD
Undergrounding Electrical Conduit	\$517,100	CDD / Utility Providers
Roadways and Pavement	\$11,432,608	CDD or HOA
Utility Water System	\$5,325,788	Englewood Water District
Sanitary System	\$7,119,958	Englewood Water District
Stormwater Management / Conservation ⁽¹⁾⁽²⁾⁽³⁾	\$15,733,330	CDD
Offsite Improvements	\$7,827,500	County / Englewood Water District / West Villages Improvement District
Contingency	\$9,612,099	N/A
Professional Fees	\$6,256,300	N/A
TOTAL	\$83,039,560	

⁽¹⁾ Public Stormwater/Floodplain management includes storm sewer pipes, inlets, catch basins, control structures, headwalls

⁽²⁾ Developer Funded Stormwater/Floodplain management includes lake excavations exceeding 8' in depth, lot pad grading, road grading.

⁽³⁾ Includes Lake Excavation to an 8' minimum depth required by the Southwest Florida Water Management District.

Note: Only the portion of municipal fees and permits and professional fees allocable to the District's CIP are eligible to be funded by the District. With respect to any utilities that are the subject of oversizing arrangements, the allocable cost relating to oversizing will not be funded by the District. No oversizing is currently anticipated.

- a. The probable costs estimated herein do not include anticipated carrying cost, interest reserves or other anticipated CDD expenditures that may be incurred.
- b. The developer reserves the right to finance any of the improvements outlined above, and have such improvements owned and maintained by a property owner's or homeowner's association, in which case such items would not be part of the CIP.
- c. The District may enter into an agreement with a third-party, or an applicable property owner's or homeowner's association, to maintain any District-owned improvements, subject to the approval of the District's bond counsel.

6. CONCLUSIONS

The CIP will be designed in accordance with current governmental regulations and requirements. The CIP will

serve its intended function so long as the construction is in substantial compliance with the design.

It is further our opinion that:


- the estimated cost to the CIP as set forth herein is reasonable based on prices currently being experienced in the jurisdiction in which the District is located, and is not greater than the lesser of the actual cost of construction or the fair market value of such infrastructure;
- All of the improvements comprising the CIP are required by applicable development approvals issued pursuant to Section 380.06, Florida Statutes;
- the CIP is feasible to construct, there are no technical reasons existing at this time that would prevent the implementation of the CIP, and it is reasonable to assume that all necessary regulatory approvals will be obtained in due course; and
- the assessable property within the District will receive a special benefit from the CIP that is at least equal to the costs of that project.

The general public, property owners, and property outside of each assessment area may receive benefit from the District's projects; however, these are incidental to the District's CIP, which is designed solely to provide special benefits peculiar to property within the District. Special and peculiar benefits accrue to property within the District and enables properties within its boundaries to be developed.

The CIP will be owned by the District or other governmental units and such CIP is intended to be available and will reasonably be available for use by the general public (either by being part of a system of improvements that is available to the general public or is otherwise available to the general public) including nonresidents of the District. All of the CIP is or will be located on lands owned or to be owned by the District or another governmental entity or on perpetual easements in favor of the District or other governmental entity. The CIP, and any cost estimates set forth herein, do not include any lake excavations exceeding 8' in depth, grading or other improvements on private lots or property. In connection with any acquisition of components of the CIP from the Developer or other applicable party, the District will pay the lesser of the cost of such components of the CIP or the fair market value thereof.

Please note that the CIP as presented herein is based on current plans and market conditions which are subject to change. Accordingly, the CIP, as used herein, refers to sufficient public infrastructure of the kinds described herein (i.e., stormwater/floodplain management, sanitary sewer, potable water, etc.) to support the development and sale of the planned residential units in the District, which (subject to true-up determinations) number and type of units may be changed with the development of the site. Stated differently, during development and implementation of the public infrastructure improvements as described for the District, it may be necessary to make modifications and/or deviations for the plans, and the District expressly reserves the right to do so.

ATWELL, LLC

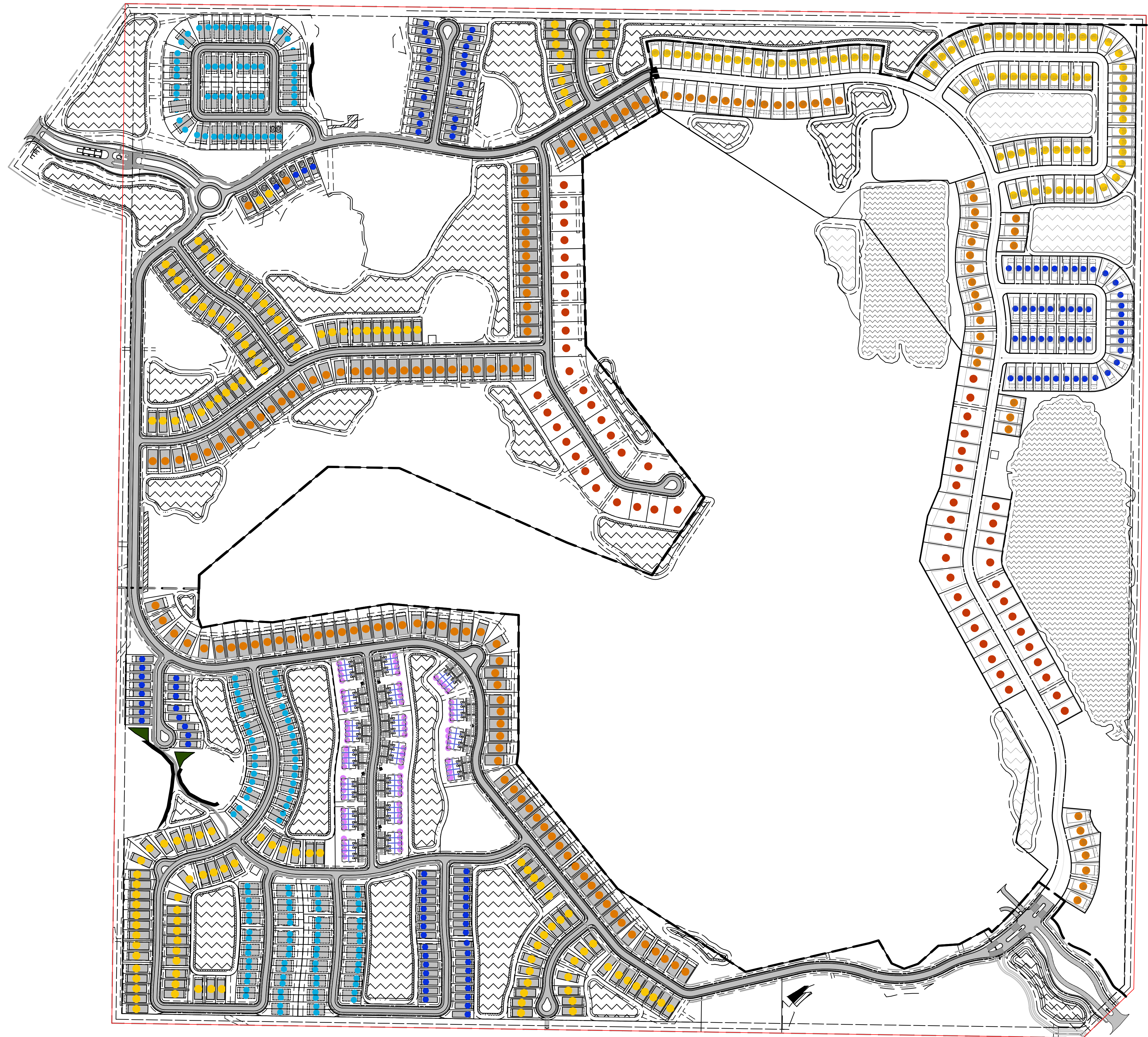
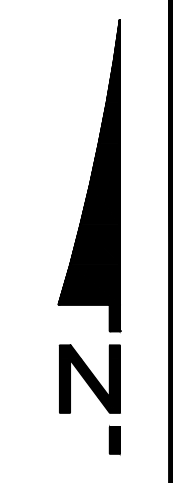


Victor Barbosa, P.E.

District Engineer

Florida Registration No.: 58548

EXHIBIT A
ESPLANADE AT WELLEN PARK ASSESSMENT
AREA MAP

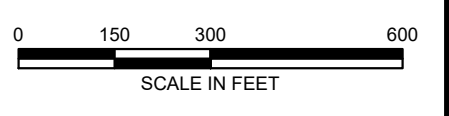


LEGEND	
Ⓜ	MODEL HOMES
Ⓧ	PARKING

N1 LOT TABLE	
● 45'	- 30 UNITS
● 52'	- 64 UNITS
● 62'	- 57 UNITS
● 90'	- 28 UNITS
● TWIN VILLAS	- 60 UNITS
SUBTOTAL	- 239 UNITS

N2 LOT TABLE	
● 45'	- 48 UNITS
● 52'	- 76 UNITS
● 62'	- 59 UNITS
● 90'	- 0 UNITS
● MF	- 144 UNITS
● TWIN VILLAS	- 106 UNITS
SUBTOTAL	- 433 UNITS

N3 LOT TABLE	
● 45'	- 49 UNITS
● 52'	- 82 UNITS
● 62'	- 42 UNITS
● 90'	- 32 UNITS
● TWIN VILLAS	- 0 UNITS
SUBTOTAL	- 205 UNITS



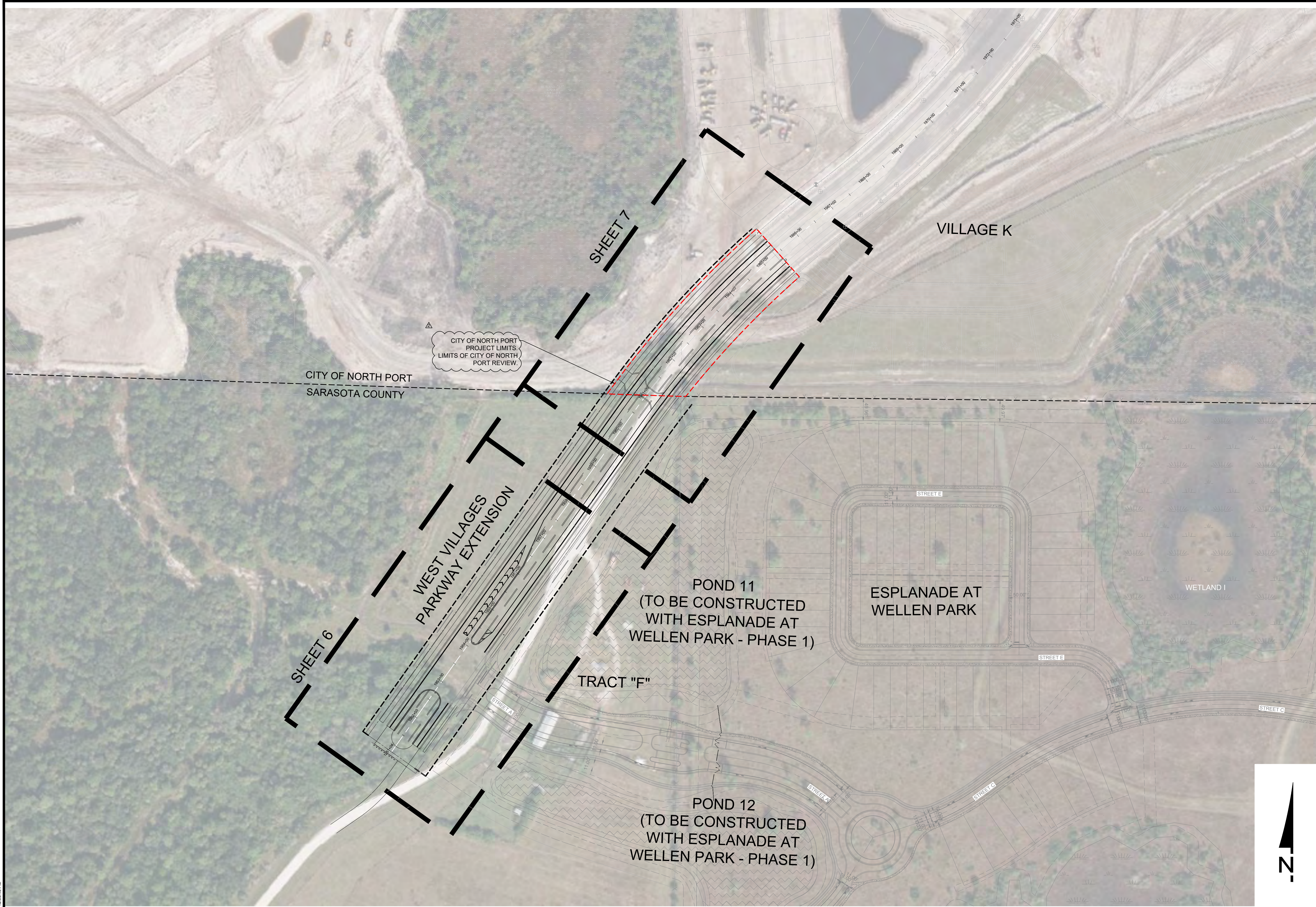
\\atwell\pfs\sa\1\Projects\Projects\13402\203\Myakka\Phase\N1 & N2\Site\Development\Drawings\Exhibits\13402-203-ED0201 Lot PFC\Current Phase\LOT_FT.dwg
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WELLEN PARK
ASSESSMENT AREA MAP

EXHIBIT B
ESPLANADE AT WELLEN PARK CDD
ROADWAYS MAP

C:\Projects\1340-204 (Myaka Pines) West Villages PKWY Ext\Drawings-Exhibits\1340-204-01 (West Villages Parkway Ext)\Current Plans\134020401-04-EX_COND.dwg
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CONSTRUCTION PLANS FOR:
**WEST VILLAGES
 PARKWAY EXTENSION**
 CLIENT: TAYLOR MORRISON OF FLORIDA, INC.
 AERIAL SITE AND INDEX PLAN

PLAN REVISIONS	REVISION	DATE	BY	CHKD
1	ISSUED FOR PERMITS	05/11/2024	JL	
2	FOR CITY OF NORTH PORT COMMENTS	05/11/2024	JL	

SCALE IN FEET

FLORIDA CERTIFICATE OF AUTHORIZATION 88636

JEREMY L. FIRELINE, P.E.
 FL LICENSE NO. 61987
 SET NUMBER: 1340-204-01

Esplanade at Wellen Park

Community Development District

Financial Statements
January 31, 2026

JPWard and Associates, LLC
2301 N.E. 37th Street
Fort Lauderdale, Florida 33308
Phone: (954) 658-4900

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Esplanade at Wellen Park Community Development District

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General Fund	2
Income & Expense Graph – All Funds	3

**Esplanade at Wellen Park
Community Development District
Balance Sheet
for the Period Ending January 31, 2026**

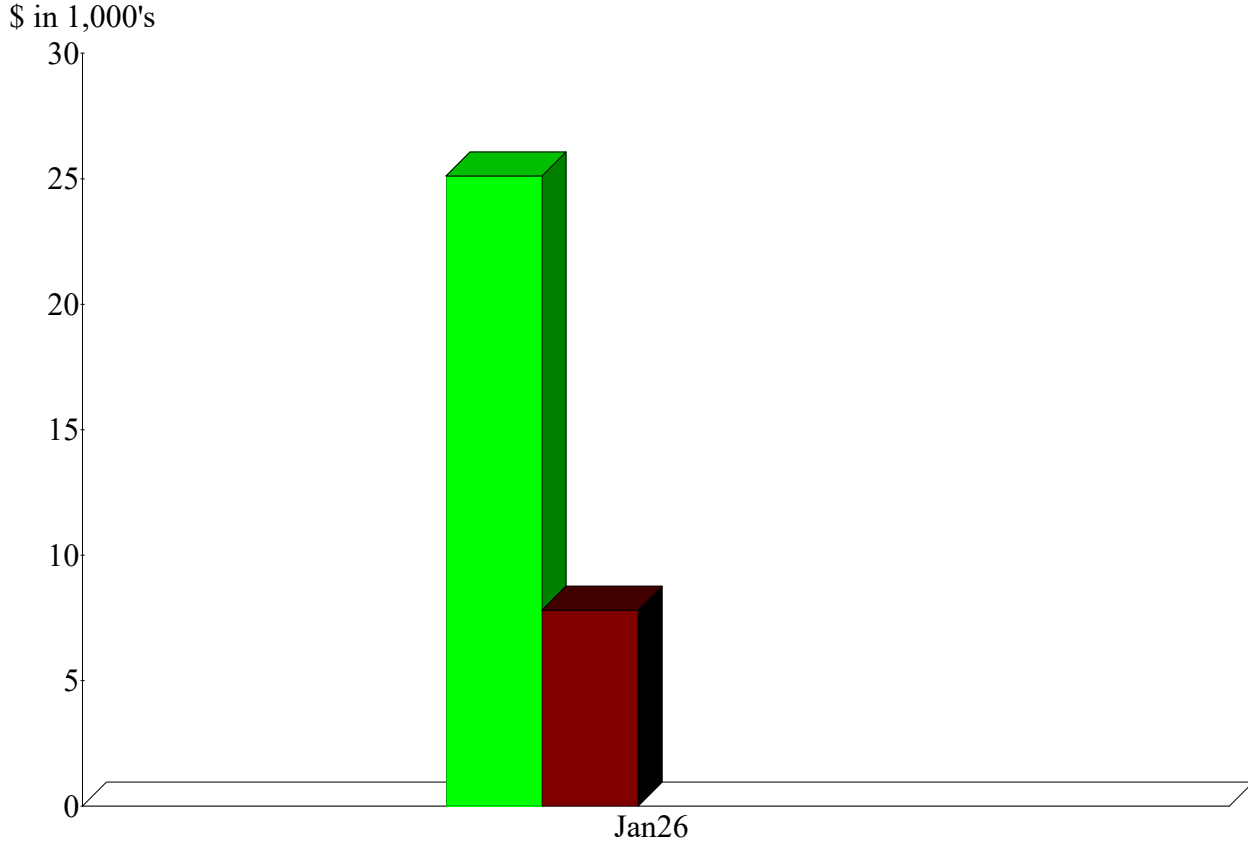
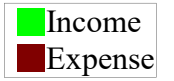
Governmental Funds				
	General Fund	Account Groups		Totals (Memorandum Only)
		General Long Term Debt	General Fixed Assets	
Assets				
Cash and Investments				
General Fund - Checking Account	\$ 10,825	\$ -	\$ -	\$ 10,825
Accounts Receivable	-	-	-	-
Due from Developer	-	-	-	-
Total Assets	<u>\$ 10,825</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,825</u>
Liabilities				
Accounts Payable	-	-	-	-
Due to Developer	-	-	-	-
Total Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Equity and Other Credits				
Investment in General Fixed Assets	-	-	-	-
Fund Balance				
Unassigned				
Beginning: October 1, 2025 (Unaudited)	-	-	-	-
Results from Current Operations	10,825	-	-	10,825
Total Fund Equity and Other Credits	<u>\$ 10,825</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,825</u>
Total Liabilities, Fund Equity and Other Credits	<u>\$ 10,825</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,825</u>

**Esplanade at Wellen Park
Community Development District
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Through January 31, 2026**

Description	January	Year to Date	Total Annual Budget	% of Budget
Revenue and Other Sources				
Carryforward	\$ -	\$ -	\$ 21,750	0%
Special Assessment Revenue				
Special Assessments - On-Roll	-	-	-	0%
Developer Contribution	25,105	25,105	112,071	22%
Other Fees and Charges				
Discounts/Collection Fees	-	-	-	0%
Total Revenue and Other Sources:	\$ 25,105	\$ 25,105	\$ 133,821	0%
Expenditures and Other Uses				
Executive				
Professional Management	3,917	3,917	47,000	8%
Financial and Administrative				
Audit Services	-	-	4,000	0%
Accounting Services	833	833	20,000	4%
Assessment Roll Preparation	-	-	20,000	0%
Arbitrage Rebate Services	-	-	500	0%
Other Contractual Services				
Legal Advertising	-	312	4,000	8%
Trustee Services	-	-	4,246	0%
Dissemination Agent Services	-	-	3,500	0%
Property Appraiser Fees	-	-	500	0%
Bank Service Fees	-	-	250	0%
Communications & Freight Services				
Postage, Freight & Messenger	-	-	750	0%
Website Development	-	-	2,400	0%
Insurance	-	5,500	6,000	92%
Printing & Binding	-	484	500	97%
Subscription & Memberships	-	175	175	100%
Legal Services				
Legal - General Counsel	180	180	10,000	2%
Validation	2,880	2,880	-	0%
Other General Government Services				
Engineering Services	-	-	10,000	0%
Total Expenditures and Other Uses:	\$ 7,810	\$ 14,280	\$ 133,821	11%
Net Increase/ (Decrease) in Fund Balance	17,295	10,825	-	
Fund Balance - Beginning	(6,470)	-	-	
Fund Balance - Ending	\$ 10,825	\$ 10,825	\$ -	

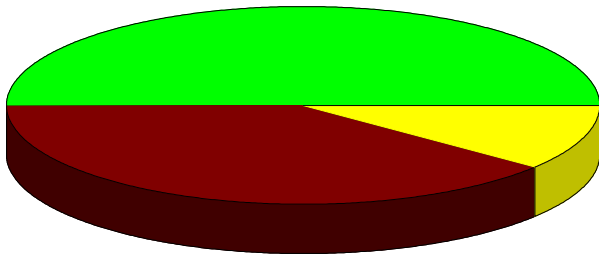
Esplanade at Wellen Park Community Development District

Income and Expense by Month
January 2026



Expense Summary
January 2026

5120000 · Executive	50.15%
5140000 · Legal Services	39.18
5130000 · Financial and Administrative	10.67
Total	\$7,809.74



By Account